THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

October 4, 1947

CAUTION NECESSARY

AN EDITORIAL

Jap Industry Exploits Children

A. Vysoko-Ostrovsky

Important Welfare Work

Ting Ping-nan

No More Strategic War Errors

Mark M. Lu

WHO'S EXPANDING?

AN EDITORIAL

VOLUME 107 CNC$8,000 NUMBER 5

Keep rolling with

B.F.Goodrich

FIRST IN RUBBER

Sole Distributors:

THE CHINA MERCANTILE CO., LTD.

P. O. Box 476
97 Yuen Ming Yuen Road Telephone 13312
SHANGHAI

PANTEEN

ROCHE

The FIRST **VITAMINIZED** *HAIR TONIC*

The **regular** ***daily*** **use** *of* **discreetly-perfumed** *Panteen* **will bring an agreeable freshness & keep your hair naturally neat and well-groomed!**

Massage PANTEEN well into the scalp ONCE a day

BOTTLES of 18 - 180 - 1 LTR

ROCHE • ROCHE • ROCHE • ROCHE •

WE SELL

Parker "51"

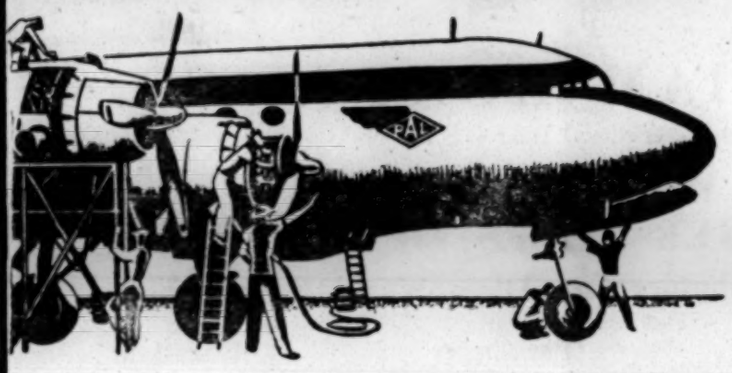
Eversharp
Waterman
Sheaffers &
Various Automatic
Pencils

Your Name Engraved Free

THE SHANGHAI FOUNTAIN PEN CO.

152 Honan Rd. (Central)
Tels. 16069, 14432.

FOR YOUR SAFETY



CAREFUL MAINTENANCE

★ American mechanics are permanently stationed at every PAL port of call, including Shanghai. Every motor gets a thorough check at every stop of the big 4-Engine Skymasters in the PAL Transpacific Fleet.

★ These experts have the finest equipment that can be bought. To extend maintenance facilities, PAL has just taken over a complete maintenance and overhaul unit from the Samar Army Air Base.

★ Maintenance is just one of the factors in safe flying, but one of the most important. This combination of the best modern equipment in the hands of the best mechanics helps maintain PAL's exceptional safety record.

FLIGHT EVERY WEDNESDAY
TO **SAN FRANCISCO**
VIA **HONGKONG**
MANILA & HONOLULU

Philippine Air Lines

SAFETY IS OUR WATCHWORD

FOR BOOKINGS CONTACT

WILLIAM HUNT & CO. Fed. Inc. U.S.A.
53 FOOCHOW ROAD TEL. 18696

CHINA TRAVEL SERVICE
420 SZECHUEN ROAD TEL. 13450

OR ANY RECOGNIZED TRAVEL AGENCY

WILLIAM HUNT & CO.

Federal Inc., U.S.A.

MACHINE TOOLS
THE MASTER TOOLS OF INDUSTRY

Exclusive Distributors For These World Famous Firms

Armstrong Blum	Davis Keyseater	Kaukauna
Barber Colman	Fellows Gear Shaper	R. K. LeBlond
Buffalo Forge	Fosdick	Logan
Bullard	Gallmeyer & Livingston	Milwaukee Chaplet
Chambersburg Engr.	Giddings & Lewis	NATCO
Cincinnati Planer	Greenlee	Rivett
Cincinnati Shaper	Hanchett	Oil Gear
Cleveland Automatic	Jones & Lamson	V & O Press

WILLIAM HUNT & CO., FED. INC. U.S.A.

NANKING	SHANGHAI	HONGKONG
1 Poo Too Road	53 Foochow Road	Hongkong Bank Bldg.

SAVE LIGHTERAGE

Instruct Shippers in the United States to
Route Every Shipment

via

Pacific Far East Line, Inc.

AMERICAN PIONEER LINE

All Vessels of These Lines Dock at the K. M. A. ZA WHEI KONG WHARF

SHANGHAI SIDE

United States Lines Company
GENERAL AGENTS

17 THE BUND - - - - - - - TELEPHONE 15067

LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Isn't It Time?

To The Editor:

Captain Irish's letter in the September 27 issue of the *Review* gave us a very vague idea as to what he had on his mind. The innacuracies and incoherence of its contents bewildered me. Evidently the Captain did not give the slightest attention to the incident as expressed in my letter in the September 6 issue or the editorial in the September 13 issue of the *Review*.

According to the Captain's medieval mind, all Chinese are underdogs and all Americans, particularly the American Army and Navy personnel in China are saints. We are tired of hearing of one case after another in the courts involving American Army and Navy personnel. We are indifferent as to who manages the Navy "Y", but, on the other hand, we are interested in finding out who instructed the Chinese constable at the entrance of the Navy "Y" to manhandle respectable Chinese who are invited by American guests living at the 'Y" to accompany them to the office for some specific information.

As previously mentioned, I am always happy to entertain American missionary workers and act as their guide. They come here to preach the gospel of "peace on earth and good will to men" and to Chinese heathens. It may be better for the Chinese to send all American missionaries in China back to their homeland to instill in their own people the principle of the brotherhood of man.

The rough treatment I received at the hands of the constable at the door of the Navy "Y" is of no deep significance, but many other Chinese have received similar treatment without ever having a chance to express their grievance. The United States, a principal supporter of the UN, professes to be enthusiastically trying to get rid of racial discrimination and hatred. How is it that American diehards in China with medieval logic are still here? They should be deported as soon as boats are available.

Isn't it high time for American diehards in China to realize that they are endangering American international relations by their intolerable attitude towards Chinese? Isn't it high time for America's intelligentsia to take some stern action to curb these American diehards in China from making enemies of the people with whom the American Government maintains friendly relations?

BEN Y. LEE.

Shanghai,
September 30, 1947.

Please, Pay Attention

To The Editor:

I could not but feel angry at learning that the unfortunate, Mr. Liu I-Chang, one of my devoted schoolmates, and a statistician in the Tsingtao Municipality was beaten to unconsciousness by a U.S. enlisted man, three days ago at about 6:00 p.m. in the doorway to the International Club, as well as at many other pranks occuring lately hold such as the Nanking drowning mishap, the Shanghai broker's murder, etc. There are many others of the same nature.

THE CHINA WEEKLY REVIEW

J. B. Powell
(Editor & Publisher, 1918-1947)

John W. Powell, *Editor & Publisher*
Fang Fu-an, *Financial Editor*

Assistant Editors
Marion Barney
Urii Sdobnikov
Elizabeth Purcell
Helen Sun

Contributing Editors
Lin Wo-chiang
Charles J. Canning
C. Y. W. Meng
Edward Rohrbough
Ben Y. Lee
Leo Rissin
J. R. Kaim
Frank L. Tsao
Tseng Yu-hao
Shen Chien-tu
James L. Stewart

Correspondents

Jefferson Cath	—	*Canton*
Van Shih-ching	—	*Chengchow*
Tong Chun-cho	—	*Chengtu*
Chen Fu-sheng	—	*Foochow*
Duncan Lee	—	*Honan*
Mark M. Lu	—	*Kaifeng*
Peter S. W. Wang	—	*Kunming*
Joseph I. C. Luan	—	*Shantung*
S. E. Shifrin	—	*Tientsin*
Lauw Thian-hok	—	*Batavia*
Harin Shah	—	*Bombay*
Anna Ginsbourg	—	*Hongkong*
C. Y. Hsieh	—	*London*
Joseph P. Lyford	—	*New York*
Jacques Decaux	—	*Paris*
David Conde	—	*San Francisco*
Ngiam Tong Fatt	—	*Singapore*
Hugh Deane	—	*Tokyo*

F. K. Chao, *Business Manager* Chen Pang-cheng, *Circulation Manager*

Index for October 4, 1947

Editorial Paragraphs

Caution Necessary 127
Who's Expanding? 128
Another Student Arrested 130

Special Articles

America: The Uneasy Victor—II ..... *Philip Jaffe* 132
No More Strategic Errors, Military Observer Says ..... *Mark M. Lu* 141
The Importance Of Child Welfare Work ..... *Ting Ping-nan* 142
Moderates Hard Hit In U.S. Korea Zone ..... *Hugh Deane* 143
Nanking, U.S. Seize 100 Ships ..... *Anna Louise Strong* 144
Kunming Prepares For Election ..... *Helen P. F. Shih* 145
Science Institute & Museum In West China ..... *C. C. Chen & Pai-Nan Shih* 146

Economic Section

Japanese Industrialists Exploit Children ..... *A. Vysoko-Ostrovsky* 149
Trade Needs Price Control ..... *J. R. Kaim* 150
First Year Of Securities Exchange ..... *Tao Wei-lien* 151
The Shanghai Market 151

Departments

Letters From The People 121
25 Years Ago 131
What U.S. Papers Say 153
Who's Who In China 153
What Chinese Papers Say 154

Subscription Rates

	Three Months CNC$	*Six Months* CNC$	*One Year* CNC$
Shanghai & China Outports	100,000	200,000	400,000
China Outports (airmail)	130,000	260,000	520,000
Hongkong	110,000	220,000	440,000
Hongkong (airmail)	140,000	280,000	560,000
U.S.A. and other Foreign Countries	—	US$5.00	US$9.00

Price per copy: CNC$8,000.

Cable Address: "Reviewing" Shanghai **Telephone: 14772**

PUBLISHED AT 160 CHUNG CHENG ROAD (EASTERN), SHANGHAI (O), CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, U.S.A. REGISTERED AT THE CHINESE POST OFFICE AS A NEWSPAPER FOR TRANSMISSION WITH SPECIAL MARKS PRIVILEGES IN CHINA.

Contents of previous issues of The China Weekly Review may be found in the "International Index of Periodicals," copies of which are on file in most standard libraries.

All editorials, text and other material in the weekly issues of the China Weekly Review is copyrighted under certificate of registration 警 No. 9953 issued by the Ministry of Interior of the National Government of the Republic of China.

In Tsingtao, without a body search by the marine guards on duty, no Chinese is allowed to go into U.S. Military "Authorized" places. In a U.S. operated office, the foreign staff gets much higher pay than the Chinese staff, in spite of the same qualifications, or even if the latter is better qualified. Worst of all is that the salary of the Chinese is not based on his background of education and experience, but fixed by the personnel official's incidental pleasure. Sometimes, a U.S. returned Chinese get the same pay as that of a junior middle school graduate.

Generally speaking, the Chinese, no matter how good his qualification and character is, on most occasions, discriminated against and despised. Occasionally, under certain conditions, some Chinese may be treated fairly, but such kindness is false and pretended.

To some extent, however, the foreigner's impression and estimate of the Chinese is right. Obviously, the present Chinese Government is nothing to be proud of; and there are many sly Chinese hawkers, ricksha pullers and evil guys by whom the foreigners occasionally get cheated. But these people do not represent the Chinese, and the Chinese people should not be looked down upon and ill treated indiscriminately. Black sheep can be found in any community, but it does not mean that the community is composed of black sheep.

From all the facts mentioned above, I think it is time for the foreigners to reconsider and revise their misconception of China and the Chinese. I firmly believe that all the pranks occuring in China lately, one after another, are the outcome of the misconception that "the Chinese is inferior to the white."

Dear editor, hold order to stamp out the ill feeling already in existence, and to minimize possible pranks in the future, I sincerely hope that the foreigners, especially the concerned authorities of the U.S. Forces in China, will pay a little attention to their conduct; while the Chinese should also behave themselves with austerity.

D. S. S. CHAO.

Tsingtao, Shantung,
September 10, 1947.

Education & Manners

To The Editor:

The arrested students involved in the May and June strikes, have not all been released; while a large number of students involved in the same incident have been dismissed from various schools. Such is the achievement of education under one party control. But every one knows that in the course of reform or revolution, there must be blood and sacrifice. What makes people angry and indignant is the scandalous pretext given to the student that he or she has not acted well. Now it becomes a general excuse which the school authorities use to deal with the students.

The students are charged with bad deportment; but how is the behavior of the high officials of the education authorities! There is a story from Nanking carried in the local *Tung Nan Jih Pao* of September 20, which runs as follows:

"At 6 p.m. of September 17, Mr. Tien Pe-ling, the Vice-Minister of Education, telephoned the newly appointed Minister of Youth of KMT, Mr. Cheng Shih-ping, who resided at the National Central Library. It was time to close the office and there was no office boy in when the call came. The call was received by Mr. Wang Tso-kwei, the editor of Library, who was just chatting with Mr. Miao Ching-fang, the director of the Library. Owing to the different local dialect, the editor did not get the words from the other side and asked: 'What do you say? I can't understand you.' With that, the Vice-Minister of Education got angry

MARK YOUR RADIOGRAMS *"VIA CGRA-RCA"*

RCA COMMUNICATIONS, INC.

A SERVICE OF RADIO CORPORATION OF AMERICA

(Cooperating with the Chinese Government Radio Administration)

CGRA

Sassoon Arcade, Nanking Road

Telephone 12558

RCA

CONNELL BROS. CO., LTD.

Established 1898

Importers & Exporters

149 Szechuen Road, Shanghai Tels. 16833-2-1

Head Office: **San Francisco**

Branches:

New York Bombay Tientsin

Affiliated Companies:

CONNELL BROS. CO. (HONGKONG) LTD.
Hongkong and Saigon

CONNELL BROS. CO. (MALAYA) LTD.
Singapore and Penang

CONNELL BROS. CO. (PHILIPPINES)
Manila, Cebu and Iloilo

and shouted: "Damn fool! Who are you?' 'I am not the office boy,' responded Wang, 'please, be a little more polite.' Upon that, Tien got in a fury. He threw down the phone and jumped into his car. Two minutes later, our wrathful minister arrived at the Library. Without saying anything, giving no time for Wang to explain, he slapped Wang's face violently, the latter's spectacles falling to the ground and his mouth bleeding...He was also asked to resign. Now Wang is prefering charges against Tien."

The story fully shows the deportment of a high official in the government. We, the Chinese people, should feel sorry and ashamed of having such a man as the Vice-Minister of Education. I wonder what he learned at school. How could such a fellow be appointed to such a position?

If it were a fact that all the students acted badly as charged by the school authorities, I should not be surprised. How can one expect good behavior from students under educational authorities whose behavior is even worse than that of street crooks. Facing reality, we cannot but sigh at the slogan: "Education first!" and worry about our nation's education in the future. The UNESCO conference closed a few days ago. I wonder what our foreign guests will think if they are told the story.

By the way, I must mention that *Tung Nan Jih Pao* is a paper supervised by the CC clique which, for years, has been the dead enemy of the present Minister of Education, Dr. Chu Chia-hua. Perhaps the story quoted above is a little exaggerated. But at any rate, it is a stain on educational circles.

Mr. Ou Chien-hsung thinks that we should wash dirty linen at home. Yes, we should wash it at home, but we must admit and point out that it is dirty; otherwise, one would be deceived and think the linen still very clean. Moreover, I know the majority of the readers of the *Review* are Chinese, they should know about this "dirty linen," their country's ugly things. One cannot attain the "cardinal virtues" with his evils uneradicated. To conceal or to white wash the dirty linen just helps it to become rotten to the core.

Of course, the *Review* is a foreign periodical, it is certainly not a glory for the Chinese to have to express their ideas in it. But, unfortunately, freedom of speech in China is only a nominal thing. If you, Mr. Ou, can recommand me a Chinese language paper which has freedom of speech, I would be glad to write to that instead of the *Review*. Can you, Mr. Ou Chien-hsung?

EVER HIGH YANG.

Hangchow, Chekiang,
September 22, 1947.

A CNC Curtain

To The Editor:

We, a group of Shanghai normal schools students, appeal to all ladies and gentlemen in Shanghai for sympathy in our protest against the illegal fees charged by the school which are much higher than the (CNC$1,600,000) decreed by the Municipal Education Bureau.

It is the most unjust and unreasonable thing to ask the students of a normal school to pay such a huge amount for tuition. It has been ordered that normal school students will be exempted from the tuition fee, and receive uniforms and board. Both the provincial and the municipal normal schools have carried out this regulation except Shanghai normal schools. With the same government, why shoulld we get different treatment?

With the end of the summer vacation, we are now facing the problem of illegal fees. Shall we, some of us from the war devastated areas, some from the calamitous regions, be shut off from school because of the high cost of tuition?

We petitioned and petitioned, but no reply came from Shanghai Education Bureau. We appeal to the people for justice and sympathy, if we can't go back to school, where shall we go? Go back to the devastated areas?

A GROUP OF SHANGHAI NORMAL SCHOOL STUDENTS.

Shanghai,
September 22, 1947.

Birth Control

To The Editor:

After reading Layle Silbert's article "Medical Care Comes to the Village" in the August 23 issue of the *Review*, I happily felt that here comes the platoon that, with a following in many such rural medical centers, can whittle down the army of underprivileged children. Although no birth control clinic was mentioned in the article, I hope one will soon be set up, otherwise the Center will be simply treating diseases. Perhaps the hospital accountant's children would have been less rickety to begin with were there only two or one intead of three.

I wish to say also a few words in reply to the letter entitled "Population Problems" in the July 26 issue of the *Review*. First I don't think your July 12 editorial advocated birth control as a cureall (one can easily agree with me on that if he also reads your other editorials.) Also birth control is not mass sterilization and need not be wholesale or drastic. It is voluntary and each case should receive individual consideration. It would be utterly ridiculous to wait 25 years, if a family has already too many children and desires the benefits of birth control, in order to consult the results of a scientifically accurate census as suggested in the said letter. Anyway the suggested census, while very useful for many other purposes, is just so much hocus pocus as far as birth control is concerned. For

中央信託局

THE CENTRAL TRUST OF CHINA

A Trust Which Commands Confidence

Chartered Under Special Mandate of the National Government

●

TRUST BUSINESS OF EVERY KIND UNDERTAKEN AT MODERATE CHARGE

let us suppose we got our census all right and know very definitely that our population increased from, say, 450,000,001 to 659,999,999, or decreased from, say, 450,000,001 to 250,000,002. in the years 1947-1972, who will determine for us the scientifically accurate size of a population compatible with national security, and upon what valid basis?

With an eye on China and India, the two most prolific yet least secure nations, I venture to say that with half our present oversize population, say in the course of 30 or 100 years of birth control, our happiness and national security would be doubled all around. By this I do not advocate civil war, nor cannibalism, nor use of atomic and bacteriological weapons, for these involve infringement on fellow human citizens' right to live, whereas birth control does not. If a thing increases humanity's happiness, or decreases its misery, it is moral enough, thinkers' or no thinkers' declarations notwithstanding.

It goes without saying that introduction of birth control, like introduction of railways or anything else for that matter, will meet with practical difficulties, but these will gradually give way as the relative merit of birth control is increasingly recognized. If illiterate farmers and laborers can be persuaded to take vaccination against smallpox, which is now no longer a foreign vice, there is a good chance of the general acceptance of this "foreign vice." It cannot be achieved by any one man; let those who see things in the same light unite and stump for it unceasingly until, God willing, men no longer breed and die like flies, and we hear no more that "life is cheap in China."

C. F. LUH.

Peiping,
September 17, 1947.

IMPORTANT NOTICE

THE *China Weekly Review* will not publish anonymous letters in these columns. Every letter intended for publication must bear the writer's NAME and ADDRESS, for the information of the editors. In cases of group petitions, statements or announcements, the letter must be signed by a responsible official or delegate, likewise for the information of the *Review*. If it is specifically pointed out that the author wishes to have his letter published under an assumed name, or his initials, this will be complied with, and his identity will not be divulged. However, as said above, in all instances the *Review* must be aware of the identity of the writer if he expects to see his communication appearing in these columns.—*EDITOR.*

British Aid

To The Editor:

Your editorial of September 6, rightly draws attention to the difficulties experienced by teachers in "keeping their heads above water" under present day conditions in China.

Your comments on the almost complete dearth of topical literature and educational material in English and Chinese at primary and middle schools show how greatly these schools, especially in country districts, lag behind in their knowlegde of current events.

It might interest your readers to know that a grant of £600—approximately, recently made by British United Aid to China is being used expressly for the purpose of sending literature from Britain to some of these schools.

A recent meeting of a special committee decided on a list of 127 Christian and Private Middle Schools, scattered in 18 provinces, which would receive magazines for a year. The actual magazines to be sent have not yet been finally decided upon, though it is likely that there would be a minimum of four to each school—the selection being designed to appeal to both children and teachers.

Magazines likely to be included are:

The Children's Newspaper—Weekly Illustrated.
English Digest—Monthly
Pictorial Education—Monthly Illustrated
Picture Post—Weekly Illustrated

We would welcome any suggestions or comments from your readers with reference to the program. They should be addressed to Mr. J. M. Tan, Secretary, British Committee on Aid to Secondary Schools, 169 Yuen Ming Yuen Road, Shanghai, or to the Shanghai Office, British United Aid to China, 1320 Avenue Road, Shanghai.

DENNIS FRONE,
Secretary,
B. U. A. C.

Shanghai,
September 25, 1947.

Chengtu Eulogy

To The Editor:

After reading a few consecutive issues of the *Review*, we found that there were too many people—both foreign and Chinese—dissatisfied with the atrocious and fratricidal jingoists in China who have been prolonging the Civil War for so many years. In the American press, the *Denver Post* maintained that the U.S. should not aid the Chinese Government

"Via CGRA"

The moral man conforms himself to his life circumstances. . . In a high position he does not domineer over his subordinates. In a subordinate position he does not court the favors of his superiors. He puts in order his own personal conduct and seeks nothing from others; hence he has no complaint to make. He complains not against God, nor does he rail against men.

—CONFUCIUS

●

GLOBE WIRELESS LTD.

51 Kwangtung Road
SHANGHAI

"Via GLOBE"

in its oppression of the people; the *Christian Science Monitor* said that if Nationalist China faces collapse, it is as much from disintegration with in as from Communist pressure without; and Mr. J. R. Kaim wrote "as long as the Civil War continues, there can be no full rehabilitation of China's economy." It seems that they all feel very disgusted, but the Chinese people also detest and are fed up with wars.

A strange thing happened last week in a primary school in Chengtu. A celebration meeting was held and one boy, who was representing the KMT, gave a lecture on its leader and praised him to excess. Some of the audience said that this fellow made a mistake, as an old Chinese proverb says: "The players themselves are often prejudiced and perplexed, but the outsiders see the best of the game." Here is his statement in which your readers might be interested:

"China has been suffering from Civil War for more than 30 years and she is in a pitiable plight from all aspects—political, economic and social. Chiang Kai-shek, our President, took his Whampoo cadets from Kwangtung to fight the Northern Warlords, Wu-Pei-fu, Chang Chung-tsang, Sun Chuan-fang, Tsao-ken, etc., and he is still known in China and the whole world as a wise and just man. After the CP shut the door on peace, our Government launched another general mobilization order, and for this action many may doubt the intentions of our political leader, but we believe that he was right.

"The world today is in chaos and confusion everywhere, and a horrible dream of U.S.-U.S.S.R. military conflict may be a reality before long. America wishes to give Korea her independence without delay, but Soviet Russia has opposed this. Korea is a hermit nation and does not offend any country in the world. Why should the Reds occupy it now. Besides, Holland has no right to interfere in the internal affairs of Indonesia, and Great Britain and Portugal should no longer occupy our Hongkong and Macao.

"Formerly, many Europeans used to criticize our race, saying, 'Although the Chinese have many good characteristics, such as their imperturbable patience, endurance, steadfastness, pious reverence, their respect for learning and their courtesy, they are not martial. So to compete with them in industry may prove impossible, but to conquer China in war is easy enough.'

"Chiang Kai-shek, our President, knows this very well. He knows our people's nature as well as how we appear to others. Besides his wisdom, justice and military prowess he is familiar with Chinese literature. Among his famous writings are 'The Outline of the New Life Movement' and 'China's Destiny.' The former is used to build our people's character, while the latter outlines China's democratic future.

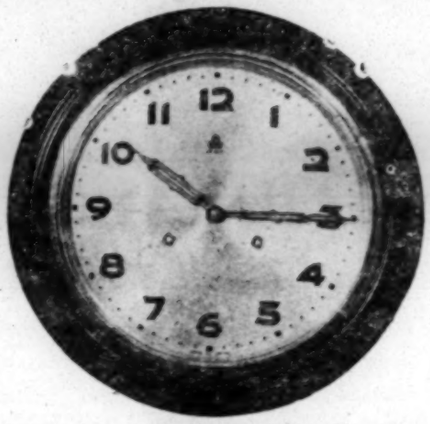
"We must know that his present policy is to overcome the Chinese Communists. He knows they are the running dogs of the Russian Reds and he does not wish the Reds to organize a puppet government in our land and gradually make of China a satellite nation for the Reds. Moreover, he knows that if China has sufficient military prowess to maintain her own unity, then she may correct the wrongs in other weaker and suffering nations.

"However, this is not the Generalissimo's only idea. For many years our Government's Political Council has been discussing the question of whether to resist foreign invasion first, or clean our own house first. Later they adopted this slogan: 'Resist Foreign Invasion First!' So President Chiang is just following their dictation. He knows that the Chinese Government needs to purge itself of corrupt reactionaries urgently. He knows that we lack economic wellbeing, political liberty and spiritual enlightenment.

"He knows that we Szechuenese are suffering much more than any other province as the warlords have fought no less than 700 battles since the founding of the Chinese Republic. He probably belives that the opium dealers, bandits, warlords and other disreputable elements sometimes mellow with the years and give up the anti-social activities of their youth and, in their wealthy old age, become public benefactors. We have no leisure to consider that now. But we believe that he is throwing himself into the fight for a unified, free China, free of the CP threat as it was finally freed of the Japanese menace, and then he will join with our American friends and eradicate the 'Red Terror' from the Democratic World. And then no single foreign nation will be able to say: 'To conquer China in war is easy enough.'"

TSAI HSIN-JEN.

Chengtu, Szechuen,
September 11, 1947.



5
55

The "555" clock respects no position: it will work at any angle. No matter how the minute-hand is shifted, you will soon find it perfectly adjusted.

Manufacturers:

China Clock & Watch Works, Ltd.

980 ZIKAWEI ROAD, SHANGHAI TELEPHONE 70350

Shanghai's American Daily—more than "just a newspaper"

During these trying post-war days, the Shanghai Evening Post and Mercury has slipped into a peculiarly intimate place in the minds and hearts of readers. Perhaps that is because it tries in every way to be as human as your best friend. Read it for true straight news, most of it printed at least 15 hours ahead of other Shanghai papers; for outspoken views; for bright touches and entertainment features which will take your mind off your troubles. For the times, subscription rates are low:

Delivered within Shanghai, CN$100,000 monthly.

Shanghai "pick-up plan", $90,000 monthly.

By ordinary mail within China, $105,000 monthly.

By airmail within China, $150,000 monthly. (Mail rates subject to change according to postal charges).

The Shanghai Evening Post and Mercury

19 Chung Cheng Road, Shanghai.

THE NATIONAL CITY BANK

OF NEW YORK

ESTABLISHED 1812

SHANGHAI BRANCH: 41 KIUKIANG ROAD

TELEPHONE: 11500

大通銀行

THE CHASE BANK

Affiliated With

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

Shanghai Office:

99 Nanking Road Telephone 11440

Branches:

HONGKONG ◁▷ TIENTSIN ◁▷ PARIS

THE CHINA WEEKLY REVIEW
密勒氏評論報
A Weekly Newspaper Established in 1917

The editorial pages present each week the opinions of the editor. The other pages of The China Weekly Review are written by the other members of the staff and the contributing editors who report and interpret the news irrespective of the views expressed in the editorials.

Vol. 107 Shanghai, Saturday, October 4, 1947 No.

Caution Necessary

THE protest of Shanghai Power Company workers over the arrest of several fellow employees by the local authorities and the stand taken by the municipality and the military here are worthy of careful consideration. The position which management, which in this case is American, should assume is also cause for cautious thought.

Briefly, some of the power company workers went on strike because of the "disappearance" of some workers who, it was charged, had been picked up secretly by the authorities here. The workers' strike apparently was more symbolic than actual since Shanghai's power supply was only superficially affected. Both the civil and military administrations reacted quickly with an announcement that they had found evidence of communist activity among the workers and were in the process of breaking up a Red Ring which planned to sabotage the power supply and throw the city into confusion. The authorities then summarily ordered the workers back to their jobs with threats of official retaliation if they refused. They also granted management the right to fire workers, saying, "If unscrupulous elements should attempt to create disturbances or strikes, you are hereby authorized to dismiss them unconditionally and never to re-employ them again."

The dangers inherent in this situation should be obvious to all, especially during this period when the authorities are so inclined to label all and sundry who are not loyal Kuomintang supporters as "Communist agents and saboteurs." In some ways, one cannot blame the Kuomintang for its haste in slapping the "red cap" on dissenters. The KMT is rapidly getting its back closer and closer to the wall in this struggle for existence against the Chinese Communists. Civil wars are never pleasant and both sides always impose—or at least attempt to impose—tough controls on the people in their respective territories. While one can understand this, one certainly doesn't have to like it. We could personally point out to the authorities a few cases in which they have been dead wrong in their Communist agent allegations. As more or less secret arrests in Shanghai increase each week, there certainly will be more mistakes and the authorities are bound to become more and more irritable toward anyone who objects or who dares to point out their mistakes.

The question of the legal rights of the civil and military governing organizations to impose the kind of rule they wish is perhaps debatable. However, the administrators of Shanghai, although not chosen by the people they govern, are the de facto rulers and, as long as they maintain sufficient strength to retain their power, obviously can do pretty much as they please. While the people of Shanghai had no say in their appointment, these men—as do all successful rulers—realize that unless they give a certain minimum standard of government, they cannot long continue in office. They may give good government or bad government, but if they consistently fall below a certain level, the governed will not support them and sooner or later the Administration will collapse during a period of crisis—either of internal or external origin. This is a simple rule of government which even Hitler and the Nazis had to recognize.

The problem now before Mayor K. C. Wu and General Hsuan Ti-wu and their respective subordinates is just how much farther they can go in enforcing restrictive regulations upon the people of Shanghai before the broad mass of the people, plus the vitally important articulate section of the population, cease supporting them. In our opinion, very little support is willingly given today. How much more oppressive can the government become before the people will begin anxiously awaiting the opportunity to change their rulers?

Such a question of course cannot be answered by a mathematical equation: only time will tell. The dilemma facing the Mayor and the General is: How little can they tighten the reins and still be able to cope with an emergency? On the other side, how much tightening of the reins will the people stand?

* * *

FOR the workers the problem is also great and must be tackled cautiously. If they take these arrests lying down, especially when they are convinced—and they apparently are in this case—that the arrests are not justified, they soon will be called upon to sacrifice more and more. It is a simple historical fact that until labor organizes and fights, it gets precious little. Management, even when enlightened — as in the case of the Power Company — is not inclined to worry too much about workers, while the authorities, always a little afraid of the potential strength of militant labor organizations, are inclined to be hostile to too much organization. If the Power Company workers let the authorities arrest these men without lodging a strong protest and without showing that they are prepared to fight for their release, it will merely be a question of time until more arrests are made upon one excuse or another. Bit by bit the reins will be tightened until the benefits Shanghai labor attained in the months immediately following V-J Day will be lost.

Here again the question is, "How far can the workers go in putting into positive effect their protests?" Too strong a stand at the present time may do more harm than good. A first class strike

will result in severe repression from the authorities and will certainly alienate management and, more than likely, the general public dependent upon electric power for light, transportation, production, etc.

Labor's dilemma is perplexing; the need for wise and cautious labor leadership is great.

* * *

MANAGEMENT also faces a problem. The American management of the Shanghai Power Company has several responsibilities, devotion to all of which would place it in a most contradictory and embarrassing position. First, since it is a public utility and operates under a franchise it is committed to public service. Secondly, as an organization it is pledged to obey the laws of the land in which it operates. Thirdly, it has an obligation to its employees. This obligation depends upon its own arrangements with its working force and also upon the laws of China which govern employee-employer relationships. Last, it has an obligation to its stockholders, the people who put up the money for its original plant and who must receive a return on their investment.

In order to serve the public — its primary function—operation must be smooth and uninterrupted. This it cannot do if its labor force is disturbed. In the present case, management was not responsible for the disturbance. The authorities were. However, the Power Company must operate under the law and that is made by the authorities. Immediately, the problem becomes to a certain degree beyond its control. However, in the interests of the consuming public and the welfare of its workers, it has a responsibility to do what it can to bring about a solution.

In our opinion, this American company must proceed with the utmost care to guard against being drawn into a political dispute in China in such a fashion that it puts itself in the embarrassing position of backing either the authorities or the workers. From present indications, it appears that the authorities are intent upon getting management on its side. It has given management a large club to hold over the heads of its workers. While, admittedly, this power is given with the intention of preventing worker sabotage and thus ensuring uninterrupted service to the public, it is altogether possible that the authorities—in their present frame of mind—might be inclined to close their eyes if the club were used for the general purpose of weakening the labor movement. While it is unlikely that the Shanghai Power Company, which has a long record of good relations with its working force, especially when compared with some of Shanghai's other industries, would be unwise enough to attempt to extract added concessions from its workers, such a club, if granted to other employers from time to time, may well bring about a dangerous labor-management situation in Shanghai.

Management must impress fully upon labor the need for realization of the effect of its acts. If the power is to be cut off at any time the workers feel like it, this city cannot exist, the welfare and even the lives of the 4,000,000 inhabitants will be endangered. Likewise, management must reach an understanding with the local authorities. While the authorities of course have the last word so long as they remain the authorities, the Power Company cannot be expected to fulfil its commitments under its franchise if its labor force is to be terrorized by gendarmes and secret police. The municipal and military officials here must be made to understand that they cannot hold the company responsible for the normal functioning of the power plant if midnight raids upon the homes of labor leaders, conveniently labeled as "communists," are to become commonplace.

* * *

THE disbandment of the Shanghai Power Company Labor Union last week is, in our view, merely a prelude to what we shall see in other Shanghai industries before the Civil War is ended. The strike and official statements covering the French Tramway workers is the logical second stage of the same campaign. Any guess as to the results, either in any particular case or in industry as a whole, would be impossible. The National Government may well improve its position and bring the war to some sort of conclusion satisfactory to itself without Shanghai being thrown into chaos. Or, the National Government may lose the fight. Also there is the possibility that some compromise solution—so often the case in China—may be reached which will settle the war temporarily or permanently.

However, it is our guess at this point that before any of the aforementioned solutions, or any other one, is reached, we will see a great deal of strife, an extremely mild foretaste of which we witnessed last week.

Who's Expanding?

WHEN the man in the street reads the papers today he cannot but get the impression that a war between the United States and the Soviet Union is about to break out. He has read innumerable articles assessing the strength of the two proposed opponents, their various chances and prospects of eliminating each other and such matters. After he has perused a report saying that the inmates of the Chicago Tribune Building have already secured for themselves an atomic bomb-proof shelter, the only thing left for him to do is to get one for himself.

Yet, a more cautious observer, after he has weighed all the facts, especially economic facts, cannot but arrive at the conclusion that this war scare is entirely artificial and has been carefully built up since V-J Day by those who would welcome such a conflict and, incidentally, profit in the process. The current phrase about United States' fear and suspicion of Russia is obviously a well nurtured product of the imagination, when the realities of such a Soviet-American conflict are analyzed. Russian expansion, Russian ambitions to dominate the world and Soviet infiltration throughout have not been supported by facts any more than the alleged Soviet preparations for attacking the United States and conquering the world. If such facts exist we have not had the pleasure of seeing them in print.

Meanwhile, articles such as "Red Shadow Over The Pacific" which appeared in the September 13 issue of *Collier's* give a good example of how the gullible reader is taught to regard Russia with suspicion. William L. Chenery, the author of this piece, after a lengthy description of the state of mind prevailing in Japan and Pacific islands among American occupation personnel—who fear Russian designs—concludes: "...overshadowing the occupation is the cloud of Russian intentions and Russian ambitions." Having testified to the fact that Japan is being rebuilt by SCAP because its every action is influenced by the menace of Russian aims in the Far East, the author fails to give any specific instances of Russian aggression or expansion. However, by now this campaign against "Soviet ambitions and aims" has created a state of mind where facts are not demanded: an "analysis" suffices.

To the foregoing category of "think pieces" belongs the *United Press* dispatch from New York by Earnest Hoberecht, who reveals that Japan can be counted on as a United States ally if a shooting war starts soon. This newspaperman realizes the importance of being earnest about such stories, skilfully hurdles the question of whether war is actually possible or imminent and devotes his talents to lining up sides in the coming carnage.

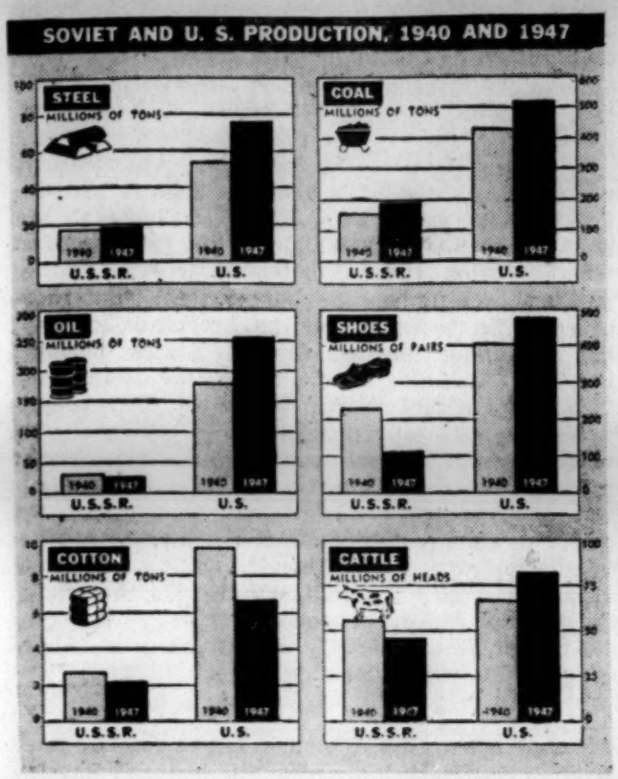
Examples of this brand of writing are numerous, but the two recent ones will suffice to show how this war hysteria has been gradually built up. Yet if we examine the facts dispassionately, it will be evident that there is no basis for a war between the United States and the Soviet Union, nor for that matter between any other two countries.

* * *

THOSE who had followed the prelude to World War II will probably remember that the American, British and French press were more inimically inclined toward Soviet Russia in the Munich days than toward Germany, Italy and Japan. Yet when war broke out, it was not between Britain and the United States on one side and Bolshevik Russia on the other. The explanation to this phenomenon is that it was Germany, and not the USSR which had begun to expand and infringe on the economic interests of the Western democracies and had clamored for Lebensraum, both to the West and to the East. If, therefore, the Soviet Union is currently demanding such living space both to East and West and is infringing on the economic interests of the Western powers there may be some basis to assert that another war is imminent, unless the Soviets halt their expansion. The economic facts, however, show the exact opposite: it is not Russia, but the United States that is expanding to the remotest regions of this planet, the while crying "wolf."

* * *

IT is popularly accepted that the United States does not know expansion in the accepted imperialist manner. It is usually announced that American motives are invariably based on democracy and Christianity: a desire to help all nations. However, the history of the United States shows that such is not always the case. Edgar Snow in



Figures for Russian production for 1947 are estimates. Figures for U.S. production in 1947 are in most cases based on first five or six months of the year. Tons are in metric measure.—NEW YORK TIMES chart.

his book "Stalin Must Have Peace" says the following:

"Many a nation was conquered under sanctions supposedly contained in the gospels. In our own memory President McKinley justified suppression of the Philippine Independence movement after an all night session of prayer in which God revealed to him that it was our duty to Christianize the Filipinos—a mission which had already detained the Spanish there for nearly three centuries."

Our actions in many countries—particularly in Greece and Turkey—supposedly in the name of democracy, are very difficult to explain unless American investments and economic interests abroad are taken into account. The basis of American expansion is best understood if it is realized that while the United States produced less than half the world total of industrial production before the war, at present it is responsible for about two-thirds! This stupendous growth of production potential gives rise to an increased accumulation of wealth and this in turn demands an ever expanding field for investment. Larger markets and wider spheres for capital investment are needed if this process of production and accumulation is to continue profitably for all concerned.

One way to create an outlet for capital accumulation is through a foreign aid program, such as the Marshall Plan. The *Wall Street Journal*, which knows its business, explains that "public arguments for this foreign aid program of many

billion dollars have been on the basis of halting communism. But underlying these arguments is the economists' theory that the United States must keep foreign trade bookings to maintain prosperity."

On the basis of the foregoing, American investments abroad have risen as follows: 1914—US$3,514,000,000; 1940—US$10,591,000,000, and 1945—US$12,600,000,000, including foreign loans, which totaled US$2,700,000,000 by the end of 1945. Later figures are not available, but those given suffice to show how the American economy has expanded beyond United States national borders. Included in the figure for 1945, were US$7,000,000,000 worth of direct investments which are generally interpreted as giving the investor greater control over the industries or raw material sources in question. These investments are geographically distributed throughout the world in such a manner that the largest portion falls on Europe, Latin America and Canada, with Asia and Africa trailing behind. On the whole, the scope of American economic interests throughout the world is generally well realized, and there is no need to expand on this subject.

* * *

IN contrast to this American expansion, we have the Soviet Union which has just recovered—if as yet—from the destruction of the Nazi armies in World War II. According to the 15-year postwar plan sketched by Stalin after the war, Russia will attempt to catch up only with production levels which prevailed in the United States in 1929. In 15 years' time, if all goes according to plan, Russia will produce 50,000,000 tons of pig iron, 60,000,000 tons of steel, 500,000,000 tons of coal, and 60,000,000 tons of oil. Snow in his book says: "Contrast this with America's *present* capacity of 60,000,000 tons of pig iron, 90,000,000 tons of steel, 700,000,000 tons of coal and 230,000,000 tons of oil." He adds: "In other words, Soviet industrial growth as the necessary basis of war offers us no visible threat whatsoever—provided our own system continues to exploit its potentials."

This Soviet task to catch up with the capitalist world in the sphere of per capita output is complicated by the large scale destruction during the German occupation of its greatest industrial centers. Thousands of technicians and skilled workers lost their lives in the armed forces and there are big gaps in the lines of teachers, doctors, laboratory workers, scientists and other professional people. Sixty percent of the armed forces were demobilized from 1946 to 1947, while defense expenditure was reduced by half for 1947. Besides, Snow adds: "One reassuring fact, too often ignored in guessing at Russia's intentions, is that the Soviet Union is peculiarly self-sufficient, both because of her abundant natural resources and the economic system with which she exploits them. She does not need foreign markets for capital investment; she can absorb all she has for many years to come. She does not need colonial markets in which to sell her goods which likewise can be wholly consumed at home. She need not fear overproduction and underconsumption; with a planned economy, distribution can always balance output."

* * *

ON the basis of the foregoing, Stalin's assertion that "There are no understandable objectives to justify a new war," can hardly be refuted or ignored. It is clear that the United States and Soviet Russia have no tangible, economic quarrel—the kind that leads to war. Roosevelt realized this well and once said that although he believed Russia to be "totalitarian" he was firmly convinced that it does not threaten the existence and security of other nations, as did Germany, Japan and Italy.

The announced and proclaimed basis of American foreign policy is non-intervention in the internal affairs of other countries. Whether the bi-partisan foreign policy has adhered to this maxim is debatable in view of recent events. History will judge whether we have promoted and defended democracy in Europe, Latin America and Asia. Meanwhile, extensive American economic interests and their continued expansion to every country in the world cannot be denied. Furthermore, it is quixotic to justify this expansion on the pretext of stopping Soviet expansion where none exists. It is time to stop talking of "Soviet ambitions and intentions" without supporting such charges with concrete examples of export of Soviet capital, Soviet investments abroad and control of other nations' vital industries and raw materials on a scale comparable to our own.

The *Review* is firmly convinced that there is no real basis for another war, especially a war between the United States and the Soviet Union. However, something should be done about the current hysterical war propaganda campaign. We are similarly convinced that if this campaign is allowed to go on for much longer it may well lead to World War III.

Another Student Arrested

WHILE the arrest of one more student during these days of midnight arrests is certainly not startling news, the "disappearance" of a St. John's student, said to be named Shen, is of particular interest because of the disgusting events surrounding the case.

The story had its beginnings early last month when the National Students' Federation, realizing the financial difficulties that many of Shanghai's students would face when tuition paying time arrived, launched a campaign to raise school funds for needy local students. The goal was CNC$-1,000,000,000 and thousands of students were mobilized. The result, unfortunately, was not achieved and, what's more, the campaign was a complete flop, with the students incurring an actual deficit of CNC$70,000,000 which represented money spent for printing circulars, making badges, etc.

Recently the students interested a prominent local citizen in their plight and he agreed to approach a few of his friends among the Shanghai business community with an idea of at least making up the deficit. Two of the people he approached gave him personal checks for CNC$5,000,000

each which he in turn handed to the aforementioned student. Shen took them to a printing firm which had printed on credit the students' posters and handbills. Unfortunately for Shen, the firm had been taken over by one of the numerous secret police organizations which supposedly no longer exist. The gestapo grabbed Shen and that is the last anybody has seen or heard of him.

However, that was not the last that was heard of the two checks. The secret police apparently either felt that they were entitled to the closed printing firm's receipts or, possibly, were just a little short of pocket money because they turned up at the designated banks where they attempted to cash the checks. Shen's disappearance, however, had been noted and the donors had canceled payment. Obtaining the addresses of the writers of the checks, the secret police hauled them off to the building that has now become notorious as "headquarters" for one of the secret police outfits. After an eight hour questioning, the "authorities" became convinced of the respectability and prominence of the businessmen in question and released them.

* * *

THIS story is unhappy because it details the failure of a group of students to overcome financial difficulties. It is tragic for one student whose educational career undoubtedly has come to an end and who may suffer in other ways before he regains his freedom. It is both disgusting and a bit amusing in that the secret police seemingly attempted to pick up a little cumshaw by trying to cash the checks.

While the secret police organizations usually decline to explain their actions, since by their very existence they prove that they do not respect the people upon whom they feed, we would be interested in hearing an explanation, even if fanciful, from some responsible official. Is the open appeal for tuition funds for impoverished students now legally considered communist agitation? Is the attempt to pay a printing bill grounds for being secretly jailed? Is contributing money to students now considered against the law to the extent that donors are to be hauled off to "secret" detention houses and questioned? AND, is the attempted cashing under false pretenses of checks not a criminal offense even if committed by secret policemen?

These are all questions which we think the public would be interested in hearing answered. We realize, of course, that as the government's position in the Civil War continues to worsen and with the deterioration of the national economy more or less assured for some time to come, the authorities will increase their restrictive activities. This is only a natural reaction of officialdom, whether in China or elsewhere. Since this should be obvious to all, why does the Government persist in talking about the institution of democratic reforms and the abolition of such remnants of modernized feudalism as the secret police? Who is now going to believe all the official statements in the past about how the secret police no longer exist? However, even if the Government feels it necessary to maintain secret police, China's governing group should realize that such blatant misuse of "authority" by stupid, greedy and undisciplined hirelings only serves to perpetuate the bad name the government has, both at home and abroad.

25 Years Ago In The Weekly Review Of The Far East

Proposed Alliance

October 7, 1922.

THE exponent of democracy in China, Dr. Sun Yat-sen, dethroned Cantonese revolutionary leader, has just been set up as a target for shots from almost every side as a result of disclosures revealing his attempts to bring about an alliance between China, Germany and Russia. His authorized interview explaining why he did it probably harmed him in his public standing as much as the publication of the charges which he was answering. Most plans tend to discredit their promoters when they fail, and unquestionably this affair constitutes a severe blow against Dr. Sun at a time when he is struggling to keep his head above the choppy waves of the turbulent political sea. However, this discussion is not meant as a thrust at a man who is down. Neither is it intended as a defense for him or condolence in his behalf. We wish only to point to the significant meaning of the estatement of Dr. Sun that an alliance of the kind suggested would be desirable because the three countries concerned could meet on a common plane and to the futility of forming an alliance justified by the fact that all those in it were suffering the same ailment.

* * *

Student Protests

THE delay of the Government in paying part of the arrears of salary of the teachers in the eight higher schools in Peking may result in student demonstrations demanding that the teachers be paid enough to get the schools opened. This is a possibility which seems to be worrying some of the officials.

10 Years Ago In The China Weekly Review

Dangerous Drift

October 2, 1937.

IT requires no explanation on our part to acquaint serious minded, thinking Americans and Chinese with the fact that a serious estrangement has developed in the relations of the two countries. Most persons blame the recently enacted American Neutrality Law for the complications. It is an anomalous situation that a law designed primarily to prevent the United States from becoming involved in the complications of Europe should, unexpectedly, become become a source of most serious trouble with China, a nation with which the United States has been on friendly relations almost continuously since the establishment of the American Republic more than a century and a half ago.

* * *

Eyeing The North

AN American who has just returned after several months' stay in Korea, Manchuria and Japan, revealed that although the Japanese have been involved in China for several weeks, they are still fighting "with two eyes on Russia." For every soldier sent to the Shanghai or North China front, there were three sent to North Manchuria. It is estimated that Japan has approximately 600,000 of her own men in Manchuria, the major portion being north of Changchun. An acquaintace of our correspondent residing in northern Korea said that on many days troop trains passed through at the rate of one every half hour, most of which were bound for North Manchuria.

AMERICA: THE UNEASY VICTOR

A Study Of The Truman Doctrine And Its Opponents

PHILIP JAFFE

(Reprinted from AMERASIA—Instalment—II)

Expansionism: Soviet and American Styles

IF the truths expressed above are difficult to grasp, it is to a large degree the result of false and venal propaganda. It is significant that of the hundreds of books published in this country on the Soviet Union, the great majority have been concerned with whether the author did or did not believe in Soviet sincerity, or with what he saw or did not see, or heard or did not hear, whereas only a small minority have dealt with basic realities. Of this minority, Mr. Edgar Snow's Stalin Must Have Peace performs a great service by pointing out not only how American policy must appear to the average Russian, but also how the different definitions of basic terms used by Soviet and American spokesmen lead to unnecessary confusion. To assist the present discussion, it may be useful to follow Mr. Snow's method and examine briefly the terms "expansion" and "aggression" as they flow from the two different systems of society.

The Soviet Government maintains that it is neither expansionist nor aggressive. It is not easy for many Americans to accept this contention, particularly when they limit themselves to a consideration of recent events in Eastern European countries bordering on the Soviet Union. But if we consider postwar developments in countries that are territorially far removed from the Soviet Union, it becomes clear that it does not require outside pressure to compel an oppressed nation to revolt. Indonesia, for example, has experienced a revolution far more drastic than anything that has occurred in the Balkan States. Indo-China, too, is in the throes of social upheaval without benefit of Soviet instigation, control, or support. Similarly, several other countries, including some in Latin America, have gone through leftist revolutions without the slightest degree of intervention by Moscow. Even the Chinese Communists and their followers, who are geographical neighbors of the Soviet Union, have carried through a successful and far reaching revolution without economic or military aid, or political interference from Russia.

One of the most pertinent and illuminating comments on so called Soviet "aggression" in Eastern Europe was that of Count Michael Karolyi, Hungary's democratic elder statesman, at the time when the American press was brimming with accusations that the Soviet Government had engineered the "coup" by which Premier Nagy of Hungary was forced out of office. Declared Karolyi: "The United States is backing people who wanted to overthrow the actual Hungarian regime and set up an ersatz Horthy dictatorship. There is no doubt that a conspiracy existed and was promoted by people who collaborated with the Horthy fascists allied with the Axis during the war. ....The greatest danger to Hungary is not Communism but the danger of falling back into the hands of the people who misgoverned it for 25 years....Yet America considers the Bolshevik danger so great that when anything approaching a new European system is attempted she backs her enemies of barely 24 hours before. There is no danger of Russia trying to bolshevize Europe. What she does want is to make sure she is not surrounded by enemies.... Don't take two worlds and make us choose between them. That would only lead to war and I know I shouldn't like to be the winner of a new war." (Incidentally, the new Hungarian premier, Dinnyes, within a week after assuming office under alleged Soviet auspices, came out strongly in defense of private property rights, opposed communism, and declared himself in favor of a coalition government representing all parties that desired to work for an independent, democratic Hungary.)

Americans who are being fed on a steady diet of tales of Russian domination of the countries "behind the iron curtain" in Eastern Europe, and of Russian expansionist aims in the Middle East, might also ask themselves the following question: How is it that the United States takes the same kind of interventionist action in Latin American countries, where no Soviet threat exists, as it has now taken in Turkey and the Middle East, ostensibly because of fear of Russian expansionism? Wouldn't this indicate that the United States has a foreign policy that does not depend upon what the Soviet Union may or may not do?

There is, however, a far more basic point to be considered in connection with Soviet "expansion" and "aggression," namely that the Soviet economic system does not need to expand territorially in order to survive. Unlike capitalist powers, the Soviet Union is not faced with the necessity of securing external outlets for surplus capital and production. Because she possesses an economy that is not operated for profit, the Soviet Union's internal market can theoretically be expanded without periods of recession and depression resulting from the failure of domestic purchasing power to keep pace with increased production. According to Soviet economists, their internal market for goods and capital can never reach a saturation point, and therefore they need never seek foreign outlets for capital investments nor attempt to expand their export trade beyond the volume needed to pay for essential imports. The major economic interest of the Soviet Union is not the attainment of new foreign markets, but rather the assurance of peace and security in which to continue the expansion of her limitless but still largely undeveloped internal market.

Since she has no economic motive for expansion and aggression, one can only conclude that if the Soviet Union is interested in Iran, in Turkey, or in the countries of Eastern Europe, it is because she fears that other nations with different economies and with urgent needs for expansion may seek to solve their problems in a manner that would restore the unhealthy and war breeding atmosphere of the thirties. In such an atmosphere, the Soviet Union might again become the logical target of another war of aggression. This is apparently the view of the Vatican, for in the article by Count dalla Torre in *L'Osservatore Romano*, quoted above, he states that to regard Russian policy as exclusively aggressive "does not seem objective," and that "to consider Russia's policy as exclusively aggressive . . . . is tantamount to denying that such a policy has motives of defense. It may aim at more easily defensible borders after these borders have been so easily crossed under the pretext of vital living space and anti-communism."

Russia does not need to expand to preserve her economic existence. But she does need to be assured that her security will not be threatened and that there will be no resurgence of fascism under the auspices of the Western Powers. For Russia, a policy of defensive power politics is both costly and exhausting. The expense that it entails could be employed far more advantageously in the rebuilding of her shattered agriculture and industry. It seems logical to assume, therefore, that given reasonable assurances of security, Russia would willingly abandon her defensive politics and thus open the way for genuine international cooperation.

When we use the terms "aggression" and "expansion" in relation to the United States, however, they have very different implications. The very nature of the capitalist system demands continuous expansion. And in the United States today there is very little room for domestic expan-

sion except in the southern and southwestern states, and even these areas are wholly inadequate to provide outlets for the enormously increased American productive capacity. Thus the United States today, under the Truman Doctrine, is making every effort to find new outlets for capital investment and enlarged areas for trade. Expansion for the attainment of these aims is the very life blood of American capitalism, and it would be fruitless to insist that American economic expansion must cease before cooperation can be achieved between capitalist America and communist Russia. The real problem is: Under what conditions can American expansion take place without threatening the independent existence of other nations; and what kind of capitalist America can cooperate with the Soviet Union in bringing about world stability and peace?

Conditions for Peaceful American Expansion

THE United States has been justly called an imperialist power, but a distinction must be made between European imperialism and the American brand. Great Britain, for example, is one of the poorest countries in the world in terms of natural resources, and her position as a leading imperialist power thus depends upon monopoly control over the raw material resources of other countries in addition to trading areas and outlets for capital investment. Without such monopoly, Britain could never have maintained her extensive foreign trade. The United States, on the other hand, is enormously rich in raw materials. With the exception of a few commodities such as jute, hemp, natural rubber, tin, and nickel, we have more than sufficient for our own domestic needs and for a large export trade in both industrial and agricultural products. Furthermore, we now have synthetic substitutes for most of those commodities that we do not produce in abundance. Our need for them becomes important only to the extent that we feel compelled to create large "stockpiles" for military purposes.

For 50 years or more, the history of American territorial expansion has revolved around this basic characteristic of the American economy. Having won control of Cuba in the process of expelling Spanish power from the Western Hemisphere, we gave Cuba her independence primarily because Cuban sugar was too powerful a competitor to our own sugar industry. Similarly, the Philippines were of no value to us as a source of raw materials except for hemp and certain copra products, whereas the competition of Philippine tobacco, sugar, and dairy products with our own domestic industries gave a powerful incentive to the American demand that the Philippines be given independence. And throughout decades of effort to convert the countries of Latin America into economic dependencies of the United States, the chief obstacle has been the fact that the agricultural export products of Latin America are for the most part competitive with our own agricultural products, which have always constituted the major part of our export trade.

As a result, America's imperialist adventures, except when purely strategic considerations have been involved, have always been aimed at securing new opportunities for capital investment and enlarged trading areas, rather than the monopoly control of raw materials. The most recent apparent exception to this general rule is our current drive for control of the oil reserves of the Middle East. But the basis of this quest for oil is obviously military and strategic rather than economic in character, especially when we consider the availability of synthetic oils and the development of atomic power for industrial use.

It is unnecessary to provide further examples to demonstrate that the chief need of the American economy is increased opportunities for foreign trade and profitable capital investment. The important point to emphasize in this connection is that only prosperous countries can enable this form of American expansion to take place. An impoverished and primarily semi-feudal agricultural world cannot fulfill this function. The man that recognized and expressed this truth most clearly was President Franklin D. Roosevelt, and it was for this reason that he spoke and worked so vigorously for the application of the four freedoms to every nation, and for the release of colonial countries from their erstwhile slavery and economic backwardness.

It is, therefore, accurate to say that American capitalism under the aegis of Roosevelt, though imperialistic in terms of Lenin's definition of imperialism as "the highest stage of capitalism" marked by the predominance of monopoly and the export of capital, was at the same time anti-colonial, not for moral but for material reasons. It was clear that the American capitalist economy could not expand so long as large areas of the world remained under the monopolistic control of other powers. Regardless of the fact that certain sections of American big business have sought to use Roosevelt's doctrine for the sole purpose of usurping the position of other powers in the colonial world, it is nevertheless true that in the process, the monopolistic hold of the old imperialist powers is being weakened, if not shattered. However, unless the old style colonialism is replaced by a more progressive policy, the raw-material-rich American capitalist economy cannot hope to benefit from this victory. No clear understanding of the nature of present day America is possible without a grasp of this basic truth. The fact that the Truman doctrine has perverted the basic principles of Roosevelt's foreign policy does not alter the truth that American capitalism cannot live at peace with itself or with the world unless it accepts the fundamental tenets so ably enunciated by Roosevelt. This thesis, as expounded in Earl Browder's book, War or Peace with Russia? is worth serious consideration.

In the current atmosphere of sabre-rattling and pugnacious antagonism to systems other than our own, we are in danger of forgetting that America needs Europe and Asia at least as much as, if not more than, Europe and Asia need America. There is nothing to prevent a capitalist America from being "American-Century minded" in the best sense of the phrase, and at the same time pursuing a genuinely democratic foreign policy in the Roosevelt tradition. Such an America could be the industrial plant for a world that is struggling to emerge from the bondage of colonial slavery and the devastation of war. In such a setting, all nations would benefit from America's vast productive powers, and America in turn would benefit from the purchasing power unleashed by the development of free and expanding economies in hitherto backward areas. That is the perspective that Roosevelt envisioned as essential for continued American prosperity. And there is every reason to believe that this is the kind of capitalist America that Stalin has in mind when he says that cooperation between the American and Soviet systems is both desirable and possible. There are many millions in this country that fervently hope for a return to the Roosevelt concept of America's role in the world, and that recognize that "anti-colonialism" in the Roosevelt sense is essential for the healthy and prolonged existence of a prosperous America. Those leftist theorists that contend that anti-colonialism is incompatible with American capitalism and at the same time call for a return to the Roosevelt approach, would do well to recognize that they are contradicting themselves.

It is interesting to note in this connection that the leaders of the Soviet Union have remained calm and undisturbed by the more bellicose aspects of the current Truman Doctrine. Judging from the reports of the last Moscow conference, coupled with recent interviews given by Stalin and other Soviet leaders, this lack of alarm is based upon their conviction that the Truman Doctrine will not remain the guiding principle of American foreign policy because it is opposed to the basic interests of American capitalism. Supporting evidence for this conclusion can be found in a recent letter sent by the Communist Party of the Soviet Union to its members (summarized in a dispatch published by the *New York Herald Tribune* on June 14, 1947), stating the reasons why the Soviet

Government does not believe that a war between East and West is imminent. Among those reasons was the contention that the current "expansionist policy of the United States works to the disadvantage of American interests and prestige throughout the world." The mania for grandeur which possesses some American Senators and Congressmen," the letter continues, "does not correspond to the true situation."

The Truman Doctrine in Action

IT is not necessary to go to the Kremlin, however, for evidence that the Truman Doctrine is a disservice to the American people. For nearly two years this policy has been in operation, and throughout this period evidence has been accumulating that it has failed to serve the interests either of the American people in general, or of American business in particular, not to mention the well being of other peoples.

As a result of the war, the United States emerged in virtually complete control of most of the Pacific area. We had it in our power, without effective opposition from any other country, to set such countries as the Philippines, China, and Japan on the road to stability and prosperity. In one sense, America's outstanding opportunity and responsibility lay in the Philippines—the product of more than 40 years of American tutelage. Yet here our diplomatic and military representatives, in the process of implementing the Truman Doctrine, assisted in the establishment of a quasi-fascist regime that has brazenly violated the Philippine constitution and has instigated a civil war on behalf of an oppressive landlord oligarchy. Furthermore, we have used our power to force upon the Filipino people the onerous terms of the U.S.-Philippine Trade Act, which makes a virtual American colony of the Philippines despite their nominal independence. American policy has been a potent factor in subjecting the Filipino people to continued poverty and an unbalanced economy —a condition that can only be a disservice to American export trade and to the well being of the American people. Already, the members of the American Chamber of Commerce in Manila have expressed their opposition to the Trade Act, for they realize that they cannot continue their legitimate operations so long as the Filipino people remain too poor to buy their products. Our current policy in the Philippines demonstrates conclusively that the Truman Doctrine of aiding any regime that proclaims its devotion to an anti-communist crusade is based on a shortsighted and narrow concept of American needs.

Our experience in China has been even more illuminating—and disastrous. After spending some US$4,000,000,000 over a period of two years, in an effort to promote "economic rehabilitation," our government is finally learning that backing the forces of warlordism and reaction in China in the name of anti-communism, results only in throwing good money after bad into a morass of corruption and waste. Experienced students of China did their best to emphasize this danger, but their warnings went unheeded. Today, however, long established American business interests are protesting that current American policy deprives them of even their prewar opportunities, while those businessmen that hoped to embark on new ventures in postwar China have given up their plans in despair.

As everywhere else in the world, American intervention in support of traditionally oppressive groups has bred anti-American feeling among the Chinese people, and has caused a serious decline in American prestige. An interesting sidelight on American policy in China is provided by the British attitude towards Sino-American relations. In general, the British press has been extremely quiet on this subject. On the official level, negotiations concerning a Sino-British trade agreement have been going on for some time, but there has been no pressure from Britain for the conclusion of such an agreement. There are at least two reasons why Britain is not forcing the issue. (1) American policy in China has, for the time being, made all trade unprofitable, if not impossible, and (2) that policy has generated strong anti-American sentiment among the rank and file of the Chinese people who are bitterly opposed to a continuance of civil war. It is known that the British Foreign Office regards these two facts as grounds for a policy of watchful waiting. For if the Communists win the civil war, Britain, in the opinion of her strategists, will be at least on an equal footing with the United States in terms of trade opportunities, plus being free from the taint of intervention. On the other hand, if the Kuomintang is victorious, Britain can capitalize, commercially speaking, on the fact that anti-American sentiment will be widespread among the Chinese people, and that even the Chinese bureaucracy will resent America's demands for a return on her investment. Under these circumstances, Britain can hope to win trade opportunities in China by offering less onerous terms than those stipulated by the United States. If the British are correct in this analysis, and their long experience in diagnosing political phenomena deserves respect, then one of the consequences of current American policy will be to convert China once more into an area of international economic conflict, and to restore the uneasy tensions of the 1930's.

Read Today's Chinese Papers Today

●

For Day To Day Coverage Of The News . . .

THE DAILY TRANSLATION SERVICE

●

For A Weekly Roundup Of Important Articles . . .

THE WEEKLY TRANSLATION SERVICE

●

MILLARD PUBLISHING COMPANY

208/160 Chung Cheng Lu (E) Tel. 14772

In Southern Korea, where the United States entered in the role of emancipator, we have merely restored the structure of Japanese monopoly capitalism, and have taken no effective steps to alter the economic conditions that made Korean workers and farmers not only the virtual slaves of Japan but poor customers of the United States as well. Fearing that the growth of a popularly controlled political movement might result in a government too "leftist" for our tastes, we placed the full weight of AMG behind former Japanese collaborators and such antedeluvian rightist exiles as Syngman Rhee and Kim Koo. As a result, we have forcibly propped up an unstable feudal economy that cannot possibly benefit either the Korean people or ourselves, and that has already produced unrest and virtual civil war in many areas. It is symptomatic of the failure of American policy in Korea that the American people are now being asked to contribute vast sums for the purpose of injecting life into a moribund patient.

In Japan, America's role has been more complex, and more subtle. The announced aim of American occupation policy was to lay the foundations for a peaceful, democratically governed Japan. Yet for nearly two years General MacArthur has been assiduously applying the essence of the Truman Doctrine, namely that the best kind of Japan is a prewar Japan, shorn only of her aggressive army and navy and some of the superficial trappings of feudalism. Though notable for many twists and turns, the net purpose of American occupation policy has been to preserve the political hegemony of reactionary forces that can be counted upon to fight "communism" and to serve, under American guidance, as custodians of capitalist interests in the Far East. However, two major obstacles to the success of this policy have arisen: (1) the refusal of the old guard Japanese leadership to rebuild the Japanese economy under the conditions specified by SCAP; and (2) the fact that millions of Japanese have insisted on taking literally the democratic aims and principles enunciated in the first American post-surrender directives.

As a consequence, American occupation policy in Japan has reached a vitual impasse. The Zaibatsu have been too long entrenched as rulers of an independent country to submit easily to American domination, or to organize an increase in production when they are well aware that the fruits of that production would go, not to them, but to the United States and other powers in the form of reparations. It is only natural that they should endeavor to sabotage American aims and wait for the day when American troops have departed and they can once more be masters in their own houses. The extent of this sabotage was dramatically demonstrated by the "production control" strikes waged by Japanese labor unions during the past year. In an effort to stimulate production, the unions took over shops and factories that were not producing, and succeeded in raising both production and profit levels. That the unions' motives were genuine was demonstrated by the fact that at the end of these strikes, all profits made during the period of production control were returned to the owners.

The American occupation authorities, however, chose to ignore the strategy of Zaibatsu sabotage; denounced these strikes as a "leftist" plot, and cracked down on labor unions in general and "production control" in particular. The result of this victory for the Zaibatsu has been the continued demoralization of the Japanese economy, with production at a low level, disastrous price and currency inflation, and acute shortages of essential commodities. Unfortunately, no standard of comparison exists in Japan by which to judge what might have been accomplished by different methods—a fact that leaves General MacArthur free to attribute all current Japanese difficulties to the natural aftermaths of war. It may be pertinent to note, however, that production is also at a low level in the American zone of occupation in Germany. There too, management has been left in the hands of native industrialists, and production is only approximately 15 percent of present capacity. But in the Russian zone, where the responsibility for production has not been left in the hands of the old guard, it is over 80 percent.

On the one hand, General MacArthur has apparently failed to recognize that the old guard in Japan will not expend their industrial resources in order to become compradors of American capitalism. On the other, despite gestures in the direction of social and economic reform, he has persisted in a policy that disregards the essential needs and interests of the Japanese people. Instead, he has sought to create a political structure that, while leaving the old guard in actual power, will constitute nominal adherence to the principles of democratic government. Could it be that he is taking his cue from the Prussian industrialists who, faced with a similar dilemma after World War I, adopted the strategy so ably summarized in their confidential bulletin, the *Deutsche Fuhrerbriefe* (September 1932):

"The necessary condition for any reconsolidation of bourgeois rule possible in Germany after the war is the splitting of the workers' movement . . . The problem of consolidating the bourgeois regime in postwar Germany is generally determined by the fact that the leading bourgeoisie, who have control of the national economy, have become too small to uphold their rule alone. They require for this rule, if they do not wish to rely on the extremely dangerous weapon of purely military force, an alliance with strata which do not belong to them socially, but which render them the indispensable service of anchoring their rule in the people, and thereby being the actual and final bearers of this rule. This last or 'outermost bearer' of bourgeois rule was, in the first period of postwar consolidation, Social Democracy."

The Prussian strategy described above led rapidly to Hitler's rise to power. The present Japanese cabinet, a coalition of rightwing Social Democrats and old guard politicians, is not yet in the strategic position occupied by its German antecedents in 1932, but if General MacArthur continues to use it to the same ends, it will be only a matter of time before a similar crisis will arise, and the United States and the rest of the world will be faced with the resurgence of a militaristic Japan. General MacArthur may feel confident that the United States can control such a Japan by its own armed power either in Japan proper or from American bases on Okinawa. But if so, he is committing the American people to a financial burden of unlimited extent, without compensating economic benefits.

Up to date, wherever America has been directly involved in Asiatic affairs, her policy has served to aggravate an already unstable economy, and to encourage political conflict if not open civil war. Every Asiatic country that has come within the American orbit is today less

For Day To Day Coverage

of

The Chinese Press

Subscribe to The

DAILY TRANSLATION SERVICE

Up-to-the-minute coverage of Industrial, Commercial and Political News which does not appear in any other English-language publication. Read translations from today's Chinese newspapers today.

Special translations made of Documents, Speeches, Articles, etc. upon request.

MILLARD PUBLISHING COMPANY

208/160 Chung Cheng Lu (E) Tel. 14772

able than ever before to develop a healthy economy, and is more than ever dependent upon continued American financial support. This is because the regimes that we have chosen to support are either unable or unwilling to bring about the changes necessary to make their economies sound, and prefer to seek their support from American dollars rather than from the well being of their own people. Thus they have become an unproductive drain on American resources, while as markets they remain of negligible value.

The results of our policy in Europe have been similar. We have expended billions of dollars in Britain, France, Italy, and Germany without creating even a modicum of economic stability. Why? Because the purpose of all these expenditures was primarily political, and did not take into consideration the basic economic needs of the countries of Europe. Our only achievement has been to create universal suspicion of American policy and to set nations at war within themselves. From an economic point of view, these past two years of American effort have not only failed to restore the prewar status quo, but have actually resulted in a further impoverishment of an already devastated world. Admittedly, the nations of the world were unable, immediately after VE and VJ Days, to establish independent and prosperous economies. But today they are even less able to achieve that goal. American business men have found to their sorrow that the billions distributed throughout the world have been so misspent that everywhere, from the Philippines to Greece, there are fewer and fewer trading opportunities available to American industry.

The Truman Doctrine has also failed politically, not only because it has supported the power of reaction in every country, but also because it has encouraged the reemergence of fascism as an organized and well financed international movement. Those editorial writers and government officials that have been screaming from the housetops that the Soviet Union is responsible for Europe's failure to recover would do well to study the report of the International Committee for the Study of European Questions, summarized in a *New York Times* dispatch datelined June 14, 1947. This Committee found that fascist organizations were openly active in the British and American zones in Germany, in Italy, Switzerland, Sweden, and especially in Argentina, where there are now some 90,000 Germans that participated in Nazi activities, including such prominent Nazi agents as Ludwig Freude, Ricardo Staudt, Fritz Mandl, and Heinrich Doerge. The Committee's report also states that there is enough Nazi money in banks outside Germany to feed the entire German people for a long time. But the most startling fact that this report points up is that fascist organizations have survived or developed in all areas where the United States has played an active role, whereas they have been uprooted in those areas where American forces have either been absent or relatively uninfluential. Nor can this Committee's report be dismissed as alarmist, for its sponsors include such conservative statesmen as Lord Vansittart of England and Edouard Herriot of France.

It is, in fact, becoming increasingly clear that so long as the Truman Doctrine remains the lodestar of our foreign policy, the process of restoring the world to normalcy will be indefinitely prolonged. So long as our billions find a final resting place in the pockets of every reactionary group that desires to restore its prewar prerogatives, the American people will find themselves throwing good money after bad into a bottomless pit. Already, American opposition to this wasteful policy has reached nation wide proportions, and contrary to popular belief, that opposition does not come solely or even primarily from the left. In reality, the most vigorous and consistent opposition to the Truman Doctrine and its variants a la Stassen, Acheson, and Marshall, comes from the most reactionary sections of American big business and finance, and their representatives in Congress. The situation today is reminiscent of 1939 and 1940, when opposition to the war came from both the extreme left and the extreme right. The final achievement of unity among the Allied Powers after 1941 disposed for the time being of the America Firsters and other isolationists. But they are now returning unobtrusively to positions of power under cover of the shortsighted and exclusive absorption of the liberal and leftwing groups with the evils of the Truman Doctrine. Even a partial listing of these opposition voices may come as a surprise to many that have failed to observe the resurgence of a significant force in American political life.

To understand the true character of the political change that the United States is experiencing, it is necessary first of all to examine why the Truman administration developed a policy so contrary to the principles of its predecessor, and how that new policy has affected the political balance of forces within the United States. In the early months of his administration, President Truman adhered generally to the precedents established by Roosevelt, as, for example, in the initial directives for the occupation of Japan, the Potsdam declaration, the statement of December 15, 1945, regarding China, and the Moscow Agreement reached by the Foreign Ministers in December, 1945. Then, gradually, the emphasis of American policy shifted away from sponsoring democratic developments and preserving Big Three unity until finally the United States became the chief hope and inspiration for every reactionary and fascist enclave throughout the world.

This transformation was to a large extent the result of the struggle of the Democratic Party to maintain its political power. Soon after VJ Day, the American press and radio, largely under Republican control, undertook an intensive campaign to discredit the achievements of the Roosevelt era both at home and abroad, and to attack the Truman administration to the extent that it continued these policies. So effective was this campaign that it succeeded in convincing a majority of American voters that the Democratic Party was responsible for everything they disliked about postwar America. As a result, the Republican Party won control over both Houses of Congress in the 1946 elections, and immediately began to bring heavy pressure to bear on the President to reject the Roosevelt program in its entirety.

President Truman and his advisers apparently decided that the best way to meet this pressure was to adopt a "me too only better" policy that would prove to the business community that a Democratic administration could be just as conservative as the Republican Party in domestic affairs, and could outdo the American Century advocates of a "get tough" policy in foreign affairs. President Truman thereupon proceeded to break completely with the aims and ideals of his predecessor. Posing as the champion of anti-communism throughout the world, he threw the full weight of the American Government behind the aims of the American Century group. The dismissal of Henry Wallace from the Cabinet, the handling of the railway strike of 1946, the proposal of a US$25,000,000 "loyalty" check on government employees—these and similar actions indicated that Mr. Truman was out to show that he was a "strong president."

In the field of foreign affairs, the most notable example of the President's abandonment of Rooseveltian policies has been his handling of the so called "bi-partisan" approach to international affairs. Mr. Truman apparently hoped that by using such men as Senator Vandenberg and John Foster Dulles as major spokesmen for his administration's foreign policy, he could deprive the Republican Party of at least one major campaign issue. But once having capitulated to the "get "tough" approach, he found himself little more than an ignominious tail to the Republican kite. Under his handling, our "bi-partisan" foreign policy has not only become more reactionary in character, but has been increasingly dominated by leaders of the Republican Party.

The President's recent vetoes of the tax and labor bills indicate that in domestic affairs, at least, he has begun to realize that his efforts to out-Republican the Republicans have conjured up legislation that would not only be disastrous to the nation but also to the prospects of the Democratic Party in 1948. But there is no indication that he is conscious of the similar impasse that has been reached in the field of foreign affairs. On the one hand, the Truman Doctrine is antagonizing a large section of the normally Democratic electorate, who are sincerely devoted to the cause of a peace achieved through the United Nations, and resent a policy that calls for the indiscriminate financing of every anti-communist regime in the world and the rebuilding of Germany and Japan as bastions against the

Soviet Union. On the other, that Doctrine is providing the out-and-out isolationists in the Republican Party with powerful ammunition for an attack on the Administration, on the grounds that it is proposing to squander the taxpayer's money on fruitless adventures abroad. It is this latter feature of current American politics that constitutes the greatest menace to the future welfare and security of the American people.

The Rejuvenation of the Isolationists

THE growth of conservative opposition to the Truman overseas spending program dates back to the debates over the loan to Britain, when many Congressmen inveighed at length against lending money to a Labor Government, a chorus that was joined by even such "statesmen" as Bernard Baruch. Thus liberal opponents of the British loan, whose opposition was based on a distaste for giving aid to the oppressive policies of the British Empire in Palestine and elsewhere, found themselves on the same side of the fence with their bitterest ideological enemies. This curious alignment was even more apparent when the final vote on the Greek-Turkish loan was taken, and since that time, some of the most vociferous opponents of the Truman Doctrine and its variations have been those long identified with the most reactionary elements in American society. A study of this significant phenomenon is essential to an understanding of current trends in American political life.

During the Congressional debates on the Greek-Turkish loan, for example, Senator Taft, though ultimately voting for the loan, did so reluctantly only after pointing out that "if we assume a special position in Greece and Turkey, we can hardly longer reasonably object to the Russians continuing their domination in Poland, Yugoslavia, Rumania, and Bulgaria." He also suggested that American intervention in Greece was comparable to hypothetical Russian intervention in Cuba. Senator William Langer of North Dakota also opposed the loan as a waste of funds and voted against it. Joining him was Senator Wayland Brooks of Illinois, long a loyal disciple of the *Chicago Tribune*, who expressed himself vigorously on the subject. "I object," said the Honorable Mr. Brooks, "to having the American people told that we are supporting a democratic country when we support Turkey . . . I do not believe in draining the resources of the American nation and her people to maintain dictatorial tyrannies, socialistic governments, or monarchies which oppress their people and do not guarantee the freedom we wish so much to defend."

In the House of Representatives, the most vocal opposition to the Greek-Turkish loan from the Republican representatives of the midwestern strongholds of isolationism. Congressman George Bender of Ohio, for example, addressed the House as follows: "Today we have a national debt of several hundred billlons and our State Department characters want us to spend US$10,000,000,000 or US$15,000,000,000 a year bribing every international bandit throughout the world, for God knows how long in the future . . . I for one am sick and tired of the willful, deliberate squandering of the money of American taxpayers on foreign adventures in behalf of corrupt, dictatorial, undemocratic governments, under the pretense that by such squandering we are building a bulwark against communism." These views were matched by Congressman Vursell of Illinois, who cited the failure and waste of American loans to China and other countries, and then attacked the Greek loan because it would give the Russians the impression that America was following a policy of imperialism. "I must not," he said, "let my opposition to that dictatorial government lead me to the point where I will endanger the best interests of my country." Congressman Wat Arnold of Missouri took the view that the State Department was "busy drumming up another worldwide economic crisis, and the outlook now is for Congress to be asked to approve another large outlay of money to rehabilitate all of Europe. There is little likelihood of such approval, however, unless Congress can be assured that it will be placed on a business basis and administered by proven successful businessmen capable of mapping out a future program that will accomplish real economic recovery."

To these views we may add that of Congressman Dirksen of Illinois, who considered it "the arithmetic of folly to suppose that 60,000,000 American producers can carry the burdens of the whole world," and that of Clare Hoffman who, speaking frankly "as an isolationist," expressed the fear that "American youth would be drafted to settle the troubles of the Balkans, Greece, in China, all over the world." Even Congressman Rankin felt that it was "useless to promote peace throughout the world with a soup kitchen diplomacy," and that rabid anti-communist, Representative O'Konski of Wisconsin, thought that the Greek loan was "the wrong way to stop communism."

A few cullings from prominent financial and industrial journals may also be revealing. On March 13, 1947, for example, the *New York Journal of Commerce* resigned itself to the Greek loan, though with a singular lack of enthusiasm. In May, however, when the vast sums that the State Department was proposing to spend for the rehabilitation of Europe became known, it published an editorial entitled "A Warning on Foreign Loans," which though conceding that grants to foreign countries might be advisable, nevertheless asserted that "it is never sound to make grants under the guise of loans, for the effort to secure repayment of the latter gives rise to international friction and to hardship for both the borrower and the lender."

The *Chicago Journal of Commerce* was even more emphatic in its denunciation of the Truman Doctrine. On May 24, 1947, it attacked Harold Stassen's proposal to send 10 percent of American production overseas on the grounds, among others, that "in seeking to keep our foot in the door of our neighbors in order to peddle our political and economic ideas, we shall be laying ourselves open to the charge of economic imperialism. And not without justification." On June 5, it developed its position at greater length: "Our negative approach (the withdrawal of credits from Hungary) makes more sense than our positive one (aid to Greece and Turkey). Giving aid to (Hungary) is an imbecile gesture. On the other hand, paying a wildly extravagant price to build up a fascist minded anti-democratic autocracy as a rotten bulwark against communism is equally witless. The breakwaters against communism will not be formed in the mountains of Macedonia or the waters of the Dardanelles, on the Iranian plateau or along the 'Morgan Line' of Venezia Giulia. They will be found in the ledgers of the Treasury and the Federal Reserve Banks—in a financially sound, economically strong United States. They will be found in a flourishing home economy which gives no hope to domestic Reds. Five billion dollars a year—the golden shower forecast by our Washington weather experts—would sow the wind of inflation and instability at home. If it does, we shall reap the whirlwind of economic and political disaster."

Equally significant is the attitude taken by the *New England Letter*, published by the First National Bank of Boston. Commenting on the State Department's policy of loans to Europe in its issue of April 29, 1947, the *Letter* concedes that loans for "the purpose of bolstering countries in strategic centers against the spread of communism" may be sound, but only "provided the funds are wisely used." However, "based upon past experience, loans linked with politics have proved highly unsatisfactory. The fear of communism should not be used as an excuse for embarking upon a global pump-priming venture on the theory that a torrential flow of American dollars would generate world prosperity and thus assure the survival of capitalism. An experiment of such magnitude is foredoomed to failure, and it would end in economic collapse, with the possible crumbling of all opposition to communism."

The *Iron Age*, spokesman for the steel industry, is also disturbed at the prospect of spending American money to check communism in Europe. In an editorial entitled "The Uneasy Laurel Wreath," published on March 27, 1947, it declared in part: "Like China and like other

countries whose cry for help will soon come, Greece poses two courses of action. Is communism to be contained by pouring in money, by propping up reactionary governments with brute force? That course leads to a certain immediate appearance of success, only to be followed by eventual exhaustion, and to future withdrawal in the face of communist infiltration nurtured by popular disillusionment. Or is communism to be contained by the unleashing of democratic pressures? The true measure of America's new greatness depends on whether, by precept and action, there is a reconstruction of Grecian political morale sufficiently dynamic in itself to resist ideological inroads."

Former Ambassador Joseph P. Kennedy, whose reactionary record is well known, declared not long ago that the United States should "permit communism to have its trial outside the Soviet Union if that shall be the fate or will of certain peoples. In most of these nations, a few years will demonstrate the inability of communism to achieve its promises, while through this period the disillusioned experimenters will be observing the benefits of American way of life, and most of them will seek to emulate it." Senator John Bricker of Ohio, another stalwart isolationist, has condemned the Truman Doctrine as "confused expediency." In a message to the National Industrial Conference Board's meeting on April 30, 1947, Senator Bricker declared: "Today our country's leadership is confused in an effort to solve our international problems too often by expediency rather than a fixed strong policy. Such confused expediency has been described by this Administration as the 'Truman Doctrine'.... If there is a doctrine, and certainly if there is we do not know what it is, does it mean that America is going to pay off every country which is threatened with Communistic infiltration? Shall we fill every hole that Russia continues to dig for us around the periphery of this aggressive power? If we are, we are committed to an unlimited policy of financial and perhaps military support in a hundred places. The cost is incalculable. This constant sapping of the economic wealth of our country can lead only to a weakened America, a less responsible place in world leadership."

Finally, one finds that that high priest of anti-communism and isolationism, Colonel McCormick, is a bitter opponent of the Truman Doctrine in all its forms. In an editorial appearing in the *Chicago Tribune* on April 14, 1947, entitled "Habit Forming Loans," the Truman Doctrine is treated with extreme contempt. Colonel McCormick sees no point in spending unlimited billions to stop communism, and, on that day at least, felt that "a war with Russia is unnecessary." But the editorial was primarily opposed to having America milked by Europe. "There is only one certain thing about the Russian problem. That is that if we persuade the governments of Europe that we are at their service or call, they will do nothing to help themselves, but will weaken us by incessant demands for more loans. If by refusing the Greek loan we tell them now that they are on their own, they may do something to save their skins."

What The Isolationists Want

THE above is an imposing array of adversaries of the Truman Doctrine, and they are of such a reactionary character that one ought naturally to be suspicious of having them as political bedfellows. How is it that the most reactionary section of American business is opposed to a doctrine that has as its avowed purpose the stemming of the communist tide, the blocking of Soviet "expansion," and the maintenance of the status quo throughout the world? Here is a section of American society that wants more than anything else to destroy everything left of center anywhere in the world, whether it be by the suppression of civil liberties, by anti-labor legislation, by witch hunting, or by the atomic bomb. Yet this same group waxes eloquent in its attack on the Truman Doctrine that presumably has the same objectives in mind. Why? What is the strategy and the aim of these "rightist" opponents of the Truman Doctrine?

These rightwing groups comprise that section of the American business world that depends entirely or almost entirely on the domestic market for its successful operation; those businessmen that are more concerned with the profits of today than with plans for the future; those men that believe that the building up of a substantial surplus by an individual corporation is the proper way to withstand depressions; and those that have traditionally resented any form of government interference in business, especially high taxation, even though the purpose of that taxation was to replenish purchasing power to keep the capitalist system running.

It is important to remember these facts, because all too often, it is assumed that capitalist enterprise and all individual businessmen within it function as an ideological unit. This holds true, however, only in a very limited sense, particularly in the United States. Businessmen often do get together to organize vast propaganda setups like the NAM, and will spend large portions of their profits to organize resistance to the forces they consider their enemies. But these battles are seldom fought out to the end or in a unified manner, for the simple reason that when profit and ideology clash, the former wins the day. A notable example of this was the recent contract signed by the steel industry with the CIO steel workers at the very moment when all the efforts of big business were being concentrated on the Taft-Hartley Bill. And no sooner did this bill become law, than the mine workers succeeded in obtaining one of the best union contracts in the history of American labor.

It is in fact in the very nature of a corporation that it must concern itself, first and foremost, with its individual existence. A big corporation that sustained crippling losses because it chose to spend its energy and money on purely ideological battles would soon disappear as a factor in the very system that it was working to keep intact. *Life* magazine, on June 16, 1947, revealed this frame of mind in an extremely reactionary editorial, which nevertheless contained the phrase, "the people want something more from the State Department than just an anti-Communist plan." In other words, a battle of political ideas would not be acceptable to them unless it also baked some bread.

The rightwing opponents of the Truman Doctrine reject it precisely because they view it as an appalling waste of money, and as endangering the kind of America in which they can profit. The heart of this opposition, as has already been indicated, is good old fashioned isolationism, or more correctly, provincialism. Its adherents contend that the United States is a fabulously rich country that contains within its borders almost all the natural resources necessary for a high level, self sustaining economy, and that therefore there is no need to concern themselves with the well being of the rest of the world. They see no need for America to expand her foreign trade, and in the words of the *Journal of Commerce* (May 6, 1947), they regard Mr. Stassen's ideas as "passing out of the realm of fact into that of fancy in discussing the role of American foreign trade" with Stalin. "Our foreign trade is a major component of overall prosperity, but clearly it is not the determining factor in the American economy." The implication that America should concentrate on the domestic front is clear.

Of course, these gentlemen admit that certain conditions would have to be created in order to guarantee the functioning of such a self sufficient economy for their own profit. Labor unions must of necessity be destroyed or at least weakened; wages must be cut in order to increase profits and prevent inflation; a large reservoir of unemployed is regarded as desirable to insure "discipline" among the working population; and civil liberties must be so restricted that the people will be unable to organize any effective opposition to the powers that be. The sources of cheap, quasi-colonial labor must also be preserved in the south and in Latin America.

Their position can best be summed up by quoting from an editorial that appeared in the *Commercial and Financial Chronicle* of New York (the leading financial journal in the United States) on June 5, 1947. En-

titled, "How to Be Strong," its pertinent passage is as follows: "World events are so shaping themselves.... that we simply cannot afford to shut our eyes to a depressing and threatening world situation into which we have thrust ourselves.... We have become too heavily involved with the destinies of too many peoples, and have won the suspicion, if not the active dislike of too many countries. .... We must see to it that we are as strong as we may be.... The simple truth of the matter is that the most important and most effective action possible for the purpose here in question is to begin forthwith (1) to get our fiscal situation in order, and (2) simultaneously abolish the New Deal and all its works."

One of the many contradictions in the thinking of this group is their belief that free enterprise could survive under such a setup. They fail to understand that with a saturated domestic market, and with only a small volume of foreign trade, unbalanced heavily in our favor, the only system under which a self sustaining economy could function in America is socialism, where no great surpluses are allowed to accumulate in the hands of individuals but are immediately returned to circulation for the benefit of the people as a whole. Under the provincial or isolationist capitalism that they envisage, however, wages would fall and profits would soar, but the surpluses would have nowhere to go, since the diminishing purchasing power would progressively dry up the market for new enterprises and curtail fields of investment. This would lead to the biggest depression in American history that under isolationist control could be "solved" only through the imposition of a corporate police state, having for its goal the perpetuation of the owning class, the destruction of free enterprise, and the reduction of the bulk of the population to the status of slave labor.

It is instructive at this point to compare the strategy of our isolationists to that of the ultra-reactionaries of prewar Japan and Germany. In the early 1930's, for example, when the Japanese Zaibatsu state crushed all liberal political parties and destroyed the labor movement, they were able, through a program of military preparation and a textile industry based upon indentured female labor, to make Japanese heavy industry profitable and also to capture large sections of the world's cheap textile market. In this way, reactionary capitalism was maintained in Japan for a decade or more. By a similar process, Hitler was able to maintain German capitalism in successful operation for a comparable period of time through an armaments program, the dissolution of trade unions, the expropriation of the middle class, and a skillful manipulation of the financial system. Thanks to Nazi economics, a small group of wealthy monopolists were able to profit by flooding Europe and South America with a variety of goods produced by such cheap labor and backed by such carefully controlled financial arrangements that less regimented industrial powers like the United States and Great Britain found it difficult to compete. But what was possible in the 30's in Japan and Germany is not possible today. Even if the United States could produce sufficiently cheap goods to flood the world market, there is no world market that could pay for them. The possibility of stabilizing the American economy even for a short time through mass dumping of low cost commodities does not exist. The only part of the Hitler-Tojo program that is open to American isolationists is the development of a war preparation economy.

The American isolationists, however, do not advocate this way out at the moment. Thunder as they may about dropping atomic bombs on Moscow, they are in general opposed to a program of war preparations, universal military training, or expenditures for the propagation of the American way of life abroad. In Congress, they are the ring leaders of the drive for cheap government, for drastic reductions in expenditure on government projects of all kinds. They favor tax reduction; high prices; high rents; high profits; a weakened labor movement; and a minimum amount of government interference in private enterprise. According to Representative Matthews of New Jersey, speaking on April 15, 1947 concerning the Greek loan, many of the steel interests are "concerned about the President's program for Turkey, Greece and other countries, because they said that what those other countries needed most are railroad rails, engines, cars, and other things manufactured from steel. They were afraid that if this program were carried out, the steel industry would be back in the same condition that it was during the war, with limited allocations to the industries in this country; that is, the railroads, the automobile industry, the refrigeration industry, and the like, so that we would have shortages and perhaps another OPA or something like it."

This is characteristic of the mentality of those that are incorrigibly opposed to anything that smacks of government control, whether in the field of foreign or of domestic trade and investment. They react with fear and anger to the thought of using any large sums of the taxpayers' money to support a policy of intervention abroad, regardless of what that policy may be designed to achieve. It is interesting to note that their opposition to the State Department's program for Europe has increased in intensity in direct proportion to the amount of assistance that the State Department thinks will be necessary for European reconstruction. To their way of thinking, the Marshall program, the Stassen plan, and the proposals of Henry Wallace are all equally bad. The Hearst owned *New York Daily Mirror*, for example, hauled out its heavy guns on June 19, 1947, for a fullscale barrage against the Marshall Plan. "In theory," the editorial admits, "General Marshall's plan is sound and humane; in practice it could be the final straw that breaks the camel's back—the dromedary being Uncle Sam, the beast of burden who seems to have become the victim rather than the victor in war.

"To state the case simply, the United States faces the absolute necessity of defending its resources, which the entire world seeks to possess....As we cannot be conquered, they pile on us a sense of obligation. They shame us into giving more and more. They demand our food, our oil, our steel, our manufactured products...they insist that we give them US$5,000,000,000 to US$7,000,000,000 a year.

"Instead of telling them to go fly a kite, we think up new ways of giving them what they want, free, packaged so that the American people will not recognize the same old spinach. It seems that nobody in the State Department can ever think of protecting the United States. They can only produce a new scheme for covering up the pipeline that is sucking the United States dry."

Should those that espouse this type of thinking succeed in imposing their political and economic philosophy on the United States, the American people would find themselves restricted within the brittle confines of a high-profit, low-wage economy, isolated from the world by high tariff walls. For a short period, certain financial and industrial interests would undoubtedly reap huge profits. But they would soon be hard put to it to find a profitable outlet for the investment of their gains, inasmuch as declining purchasing power would

Keep Abreast Of Events.. Subscribe To

THE CHINA WEEKLY REVIEW

A Weekly Newspaper Established in 1917

The leading English-language weekly in the Orient since 1917. Forthright and independent editorials coupled with a wide variety of articles from noted writers today keep the Review ahead—both in reader-interest and circulation.

Fill in the blank below today.

THE CHINA WEEKLY REVIEW,
160 Chung Cheng Road,
Shanghai (O), China.
Please enroll me as a subscriber for .....months, for which I am remitting ..... herewith.

Name:.....

Street:.....

City:.....
(See subscription rates below Index)

NOTICE

Notification No. 23771, dated September 29, 1947, has been received from the Bureau of Public Utilities of the Shanghai Municipal Government, giving details of the restrictive measures governing the use of electricity in Shanghai, which have been passed by the City Council at its 4th Plenary Session. These restrictive measures go into effect as from October, 1947, meter reading date.

The following is a summary of the restrictive measures to be applied to the various classes of service:

RESIDENTIAL

Allotment equals highest monthly usage of all services during the period March/April/May, 1947.

1—40 KWH	At Prevailing Rate
41 KWH—Allotment	At 2 times Prevailing Rate
Usage over Allotment	At 4 times Prevailing Rate—1st Offence
	At 6 times Prevailing Rate—2nd Offence
	At 6 times Prevailing Rate—3rd Offence*

COMMERCIAL

Allotment equals highest monthly usage of all services, excluding Power, during the period March/April/May, 1947.

Up to 70% of Allotment ..	At Prevailing Rate
70%—100% Allotment	At 3 times Prevailing Rate
Usage over Allotment	At 5 times Prevailing Rate—1st Offence
	At 10 times Prevailing Rate—2nd Offence
	At 10 times Prevailing Rate—3rd Offence*

COMMERCIAL BULK SUPPLY

Allotment equals highest monthly usage during the period March/April/May, 1947.

Up to 80% of Allotment ..	At Prevailing Rate
80%—100% Allotment	At 3 times Prevailing Rate
Usage over Allotment	At 5 times Prevailing Rate—1st Offence
	At 10 times Prevailing Rate—2nd Offence
	At 10 times Prevailing Rate—3rd Offence*

* Supply may be disconnected on 3rd Offence.

INDUSTRIAL LIGHTING

Allotment equals highest monthly lighting during the period March/April/May, 1947.

Up to 80% of Allotment ..	At Prevailing Rate
80%—100% Allotment	At 3 times Prevailing Rate
Usage over Allotment	At 5 times Prevailing Rate—1st Offence
	At 10 times Prevailing Rate—Subsequent Offences

INDUSTRIAL BULK SUPPLY

No restriction.

Each consumer will be advised of allotment prior to October meter reading date.

SHANGHAI POWER COMPANY

WESTERN DISTRICT POWER COMPANY OF SHANGHAI

Federal Inc., U.S.A.

COMPAGNIE FRANCAISE DE TRAMWAYS ET D'ECLAIRAGE ELECTRIQUES DE SHANGHAI

THE CHAPEI ELECTRICITY & WATERWORKS CO., LTD

CHINESE ELECTRIC POWER CO., LTD.

POOTUNG ELECTRIC SUPPLY CO., LTD.

Shanghai, September 30, 1947.

severely restrict the internal market, while an impoverished world could furnish no markets capable of consuming American manufactured goods. Such an "isolationist economy" would be compelled to force the American people to accept ever lower standards of living. This, however, would be no easy program to impose on the American people, and would in all probability fail. And not having paved the way for a rehabilitated world, our isolationists would then be compelled to expand outwardly by the only means left to them—namely, military means.

Thus, though the Republican isolationists at the moment reject the Tojo-Hitler method of militant expansion, their ideology threatens to compel them to adopt this way out. It is for these reasons that the isolationist ideology propounded by the Tafts, the Brickers, the McCormicks, the Langers, the Hoovers, and the United States Steel Corporation, actually leads more directly and more certainly to war than does the Truman Doctrine, even though that doctrine at the moment appears to be symbolic of militant American expansionism.

Let no one be misled into believing that these super America Firsters are opposed to war. They are only opposed to an expensive war. Even today, these champions of isolation advocate settling international problems by the use of the atomic bomb, under the illusion that we could thereby win a quick and cheap victory. The *Chicago Tribune*, in its leading editorial on June 13, 1947, dismisses the Truman Doctrine as "infantile in idea and preposterous in execution," and calls for atomic war now. "Possibly we ought to destroy the Stalin government while we can," the editorial suggests; "it could be done within 48 hours with terrifying results." Coincident with this bloodthirsty proposal, the *Tribune* states that "we should fire the incongruous United Nations off our territory. Let it go to the League of Nations palaces in Geneva." Colonel McCormick apparently could be happy only in a world inhabited solely by American isolationists; everyone else must either be killed off or banished into outer darkness.

The most powerful weapon that our isolationists have acquired in their struggle for power is their ability to demonstrate that so far the Truman Doctrine has wasted billions without any visible returns in terms of our domestic economy. As billions upon billions continue to be spent, the most reactionary wing of the Republican Party, plus its satellites among the Southern Democrats, has acquired a powerful talking point. They have used it, and will continue to do so, in order to dramatize the slogan of self sufficiency and to warn against the dangers of "pouring out American resources" at the expense of domestic prosperity. If the Administration continues to spend money under the wasteful terms of the Truman Doctrine, then in time the isolationists could easily acquire control of American foreign policy. This would mean the victory of black reaction, and the collapse

No More Strategic Errors, Military Observer Says

MARK M. LU

Kaifeng, (By Mail).

DURING the past several weeks the Communists have achieved vast and rapid development in their military operations in western Honan and on the Honan-Hupeh-Anhwei border. This is due to the fact that the Government, in the first place, failed to surround the Communist raiders led by Red Hero General Liu Po-cheng, at the triangular area bounded by the Yellow River and the Grand Canal in western Shantung; secondly, committed strategic errors in predicting that the Communist raiders, after escaping from Western Shantung, would penetrate westward by crossing the south section of the Pinghan Railway, and thirdly and lastly, erred by placing insufficient forces in Western Honan, which were too weak to check the Communists' crossing of the Yellow River. On the whole, the Communists are successfully holding the Tapieh Mountains on the Honan-Hupeh-Anhwei border and the Funiu Mountains in western Honan, as their new operation bases.

The Communist force in western Honan has split along three routes. On one route, after skirmishing against Government troops at Lungmen, 25 li south of Loyang and famous in Chinese history for its accient ruins, they have penetrated eastward from Yichuan, southeast of Loyang. At the time of this writing, it is reported that the Communist political underground workers are active at Mihsien, Tengfeng and Yuhsien, 70, 110 and 90 li, respectively, southwest of Chengchow, rail hub of the Pinghan and Lunghai Lines. Another group, pushing southward, has occupied Hsunghsien and reached Neihsieng. This band has been successful in taking the Funiu Mountains as its stronghold and operation base. Those on the third route, having taken Loning, are pressing headlong towards Lushih on the Honan-Shensi border. It is reported that Lushih fell into the Reds' hands on September 12. Another Communist force is reported to have appeared in Lonan and Shangnan, in the southeast corner of Shensi province. A Nationalist general declared to *Central News* at Sian, Shensi provincial capital, that the Government is well prepared to meet a Communist attack in southeast Shensi.

Communists are still holding some ferries along the south bank of the Yellow River in western Honan and continue to dispatch reinforcements from southern Shansi and northern Honan from time to time. In order to wipe out the Communists, the Government is making attempts to recapture all the ferries across the Yellow River so as to cut off their "escape road," and to stop their reinforcements from crossing. At the same time it is massing a heavy force in the vicinity of Nanyang so as to stem the Communists' southward penetration. General Liu Maoen, Governor of Honan, has left here for Nanyang by way of Chengchow and Loho, to direct military operations in order to annihilate the Reds in western Honan.

After crossing the Yellow River in western Honan, the Communists first of all strengthened their bridgeheads, and then demolished the Lunghai Railway Line, between Loyang and Shanchow, a distance of about 120 kilometers, including more than 40 bridges and 12 railroad stations. According to an estimate made by Director Mo Heng of the Lunghai Railway Bureau, a sum of CNC$15,000,000,000 will be required and at least five months' work will be needed to repair the damaged rails, if the materials are available. This means an interruption in the communication and supply line between the far Northwest and Honan.

As for the eastern section of the Lunghai Railway, between Kaifeng and Hsuchow, the rails and telephone posts between Shangchiu and Minchuan in eastern Honan are demolished by the Communists at frequent intervals, in fact, during the past week they have twice been the object of attack. In some other places, especially east of Chengchow, the train is continuously jumping the rails because the newly repaired foundation is too soft. The express passenger train of the Pinghan Railway, between Chengchow and Hankow has had to suspend operations due to lack of coal.

On the Kihsien-Chenliu border, 45 li southeast of Kaifeng, the Communists have set up their own "supply station," where they "are operating 30 sewing machines, capable of turning out 200 suits of army uniforms per day and a "gun repair factory" which is also manufacturing new rifles. Recently, the Communists have begun the conscription of 50 able bodied adults from each big village and 20 from each small village, and in the near future they will have raised several tens of thousands of men thus becoming a menace in the Flooded Area. As a matter of fact, a large portion of the Flooded Area is already under Communist control. A Communist Army of more than 5,000 strong, under Wei Feng-lo, Chin Chao-shan and Wang Chi-mei, occupied Huaiyang in the Flooded Area on September 11.

Fleeing from western Shantung, the Communist Army, under General Liu Po-cheng, pushing headlong southward during the past five weeks, has reached the Tapieh Mountains on the Honan-Hupeh-Anhwei border. After occupying the new stronghold, they seem to have divided into three groups. One group is active in Junan, Sintsai and Sinyang at the northern foot of the Tapieh Mountians in Southern Honan.

Another group is now carrying on serious fighting against Government troops in Macheng, Lishan and Hwangan at the southern foot of the Tapieh Mountains in Northern Hupeh. The third group, which seems to be the main Red force is massing at Liuan and Huoshan at the eastern foot of the Tapieh Mountains in Northern Anhwei, and they are collecting cloth and sewing machines from the local inhabitants to make winter uniforms. This indicates that they intend to hold these cities as their operation bases.

Red General Liu Po-cheng with all his staff members is reported to have set up his headquarters at Liupotun, 20 kilometers southeast of Lihuang in Northern Anhwei. A glance at the map of Anhwei will confirm that the Communists have succeeded in taking Shucheng, Luchiang and Tungcheng in Southern Anhwei, very near to the north bank of the Yangtsze River.

With a view to wiping out Red Hero General Liu Po-cheng, a local competent military observer stated, the Government will not commit further strategic errors but will chase after him step by step so as not to give him a chance to regroup his forces.

---

of all hope of genuine American assistance in the rehabilitation of the world. Once in command of foreign and domestic policy, the selfish irresponsibility of this group would force the rest of the world to isolate itself from the United States and even to adopt military measures in self protion; the United Nations would collapse; and the hope of a lasting peace would be permanently shattered. This is a disaster that can come about only if the American people are misled into attacking the Truman Doctrine in such a way as to play into the hands of the isolationists. There is an alternative program which is discussed in the following and concluding section of this article.

EAT AT

Jimmy's

133 Nanking Road

Shanghai

Branch 11-3 Rue Montauban

The Importance Of Child Welfare Work

TING PING-NAN

SHANGHAI, as the largest and most industrialized city in China, has, naturally, a great and ever increasingly serious problem of looking out for the welfare of innumerable orphans, refugees and poverty stricken children. Hence there is a desperate need for adequate institutional care for these wards of the state.

Before the late war, the main work of caring for the homeless children of Shanghai was conducted under three auspices: (1) Various religious bodies; (2) the Municipal Government; and (3) individual philanthropic effort. Under the guidance of the latter group, the National Child Welfare Association of China was founded. Other individual effort to provide welfare services for children—including free education, medical aid, nurseries, etc. —was undertaken by private industries and native associations.

Soon after the beginning of Sino-Japanese hostilities in Shanghai in 1937, the problem was intensified by the number of orphans who suddenly found themselves homeless, both in Shanghai and in outlying areas. To meet their urgent needs and to provide care and protection for the refugee children who were flocking into the city, the International Relief Committee of the Red Cross of China, headed by Dr. J. E. Baker, was organized, and carried on with funds collected both locally and from abroad.

Committee Dissolved

During the war years, the International Relief Committee of the Red Cross of China was dissolved, and the Shanghai Refugee Relief Association took over and continued supplying food rations to children's institutions. The latter organization was established by a number of civic leaders, headed by the late Mr. Yu Yah-ching, with funds raised entirely locally. However, shortly after the outbreak of the Pacific war in 1941, this organization was also dissolved. During the Japanese occupation of Shanghai, a similar organization called the Shanghai Relief Association for Poor and Sick was established, but it made little progress, and many institutions were consequently forced to close down.

Since the end of the war, the need for services to children in Shanghai has been even greater than during the war years. This may be seen from the most recent figures which indicate that approximately 7,000 children are now being cared for in public and private institutions. It shows an increase of nearly 133 percent over the 3,000 children cared for shortly before the end of the war.

The chief reason for the increase in the number of refugee children is that thousands of refugees returned to Shanghai with their children from interior provinces as soon as the war ended. Many other refugees also fled here to find jobs and seek safety due to the spread of the Civil War. But the exorbitant cost of living forced many refugees to abandon their children in the street or place them in institutions before they could go to work for a living.

Relief Irregular

To comply with the demand, 10 institutions for children have been established during the past year, thus constituting nearly 20 percent of all the institutions in Shanghai. Relief supplies and help in other forms, via CNRRA, have been mainly responsible for the fact that these institutes are able to remain open. Flour, milk, soup powder and canned goods were allocated by CNRRA to the institutions, but on a somewhat irregular basis owing to transportation difficulties. Clothing and bedding was also issued from time to time. But at present, the institutions are again confronted with the great problem of carrying on their work since the CNRRA program closed down in May, 1947.

In Shanghai, there are 51 institutions for children. Of these 33 belong to religious bodies; 12 are Catholic, 14 are run by various other Christian groups and seven are Buddhist and Confucian. Eighteen institutions are maintained by individual philanthropic efforts. There are only three public organizations. Approximately 51 percent of these institutions were established since 1937, and although many more were established during the war most of them had closed down by the end of the war.

11 Kinds of Institutes

The earliest institution in Shanghai, still existing at present, is the Tou Se We Orphanage which was established in 1855. Many Catholic institutions were established about 30 years ago. The biggest of them all is the Zao Ho Ging Refugee Camp operated by the Municipal Government. The institutions may be divided into 11 kinds, as follows: (1) Orphanages—14, (2) Beggars and street children's camps—six, (3) Refugee children's camps—two (4) Homes for juvenile delinquents and problem children—two, (5) Homes for children of broken marriages—one, (6) Homes for prostitutes, slave girls, wayward girls, etc.—two, (7) Poor children's homes —five, (8) Nurseries—11, (9) Institutions for handicapped children—three, (10) Institutions for abandoned babies—four, (11) Convalescent homes—one.

From the above classification one can see that orphanages and nurseries are in the majority. But the number of orphans rises daily, and as the city becomes more industrialized and the high cost of living compels women to go to work, the need for more of these two kinds of institutes also grows.

Most of the institutions were supported originally through the efforts of a small group of individuals or a board of directors before and during the war when money was freer. But now that their sponsors are becoming financially burdened the institutions find themselves in serious straits, and it is left to the staff of the various places to raise funds, instead of concentrating on management and teaching.

Now that CNRRA has terminated its program, all institutions receive only a small subsidy from the newly created Shanghai Advisory Committee for Child Welfare sponsored by CNRRA/UNRRA. Occasionally, a few of the institutions get a subsidy in terms of a special fund from the United Service to China which took an active part in assisting the children during the war. Before and during the war the Shanghai Municipal Council gave all institutions a small subsidy, but since the end of the war this subsidy has been stopped.

No Aid From Government

This shows that the Government either has not seen the importance of child welfare work, or is unable to appropriate funds from its budget for the services to children. The result is very obvious. The only two means the institutions have of raising funds are to reduce the number of children to be cared for to a minimum and to give less supplies to the children. Some of the institutions will probably be compelled to close down unless timely aid is received.

With a view to maintaining the existing 51 institutions and to developing other essential services to children in Shanghai, all available resources, funds, staff, and other facilities should be mobilized as far as possible to provide protection and care for needy children. There is a necessity for concentrated effort to combine agencies, leadership and funds for the purpose of securing encouraging results through coordinated efforts. Experience gained during the war, both in Shanghai and in Free China proves that working together will accomplish more than working individually.

It is proposed, therefore, that the organization of a central agency for helping institutions in Shanghai with funds raised both here and abroad, is a first necessity. The pur-

pose of the proposed organization is not only to help maintain the institutions but also to improve the management to an acceptable level. It could be formed jointly by the following influential organizations now serving children in Shanghai:

United Service to China ..... Dr. D. W. Edwards
China Welfare Fund ..... Madame Sun Yat-sen
Shanghai Social Welfare Organization ... Mr. Tu Yueh-sen
Shanghai Advisory Committee for Child Welfare..Dr. H. C. Chen
National Child Welfare Assoc. of China ..... Dr. H. H. Kung
Shanghai Child Welfare Federation...Mr. Wang Hsiaso-lai

These are but a few. In order to facilitate the work of the proposed joint organization, it should cooperate closely with the efforts of the Shanghai Municipal Government under able Mayor Wu. No doubt, it would be a most forceful organization, and we are waiting its early establishment on behalf of the needy children of Shanghai.

Moderates Hard Hit In U.S. Korea Zone

HUGH DEANE

(This is the third of a series of articles on the American zone of occupation in Korea by the REVIEW'S Japan and Korea correspondent.— EDITOR.)

Seoul, Korea (Airmail).

A TERRORIST campaign openly conducted by the extreme rightists led by Dr. Syngman Rhee has reduced almost to political insignificance the small moderate elements in US-occupied south Korea.

For practical political purposes south Korea is divided into leftists, now underground, and rightists—or Commies" and "white men," as some of the American colonels in the Chosun Hotel like to express it.

The near eclipse of the moderate elements is an index to the strategic failure of the United States in south Korea. Basic directives drawn up by the Department of State repeatedly urged formation of a broad centrist front to isolate the Communists, to be given substance by a series of moderate reforms.

Tentative efforts made in this direction have been glaringly unsuccessful. In the showdowns the United States never dared break with the extreme right, placed in power by the Americans early in the occupation.

The extreme right of Dr. Syngman Rhee wants no reforms, even palliative reforms, and it regards liberals, centrists and even moderate rightists—all those who support trusteeship and the US-USSR Joint Commission—as tools of the Communists and "national traitors."

No Action Taken

Uneasily, but without taking effective action, the U.S. authorities have watched the ultrarightist campaign against the moderate elements.

This campaign reached a climax on July 19th, when Lyuh Woon-hyung, outstanding liberal leader of south Korea, was assassinated in the streets of Seoul—the tenth attack on his life since the Americans became responsible for law and order in south Korea.

Two months before, Dr. Syngman Rhee had openly threatened Lyuh in the presence of a high American officer. At this time Lyuh said for the record: "If anything happens to me, you will know who is responsible."

Just before Lyuh was shot down he was negotiating with Kim Kiusic, moderate rightist, in an effort to build a broad political front against the extreme right. When a political front embracing left and center was formed as an aftermath of Lyuh's assassination, it was immediately outlawed by the police. Director of the Department of National Police is Cho Pyung-ok, member of the Rhee-controlled Democratic Party.

Investigation Unclear

On July 23, the police arrested the alleged assassin—in three different places according to three police announcements. Up to now the police have made no official statement regarding their investigation of this suspect.

On August 14, Kim Kok-tong, member of the central committee of the centrist Socialist Democratic Party, was found slain in a Seoul gutter. The police, engaged in a south Korea wide roundup of leftist leaders, have been unable to solve this crime. The Socialist Democratic Party, a minuscule group, is headed by anti-Communist Lyuh Woon-hong, younger brother of Lyuh Woon-hyung. Lyuh had accused the rightists of murdering his brother.

Even the moderate right of Kim Kiu-sic, veteran member of the old government-in-exile, is not tolerated by Rhee's faction. Kim, "politically ill" for months, was informed long ago that he must join Rhee or endure the "hammer of justice." He is now reportedly wavering between surrender to Rhee and exile.

When the Americans created the South Korean Interim Government, they sought to offset Rhee's influence by giving a number of key posts to the moderate right. Ahn Chai-hong, an associate of Kim Kiu-sic, was made Civil Administrator. Today Ahn's adherents are isolated figures in a Rhee controlled government. On August 15, at the official celebration of Korea's liberation in Seoul, Ahn, like Soviet General T. F. Shtikov, was booed and jeered by instructed thugs.

The extreme right which dominates the politics of US-occupied south Korea is so well entrenched, after almost two years, that it can bargain with, and to some extent even ignore, the Americans who gave it power.

Extreme Right In

A combination of landlords, merchants, businessmen, collaborators, adventurers and ultranationalist fanatics, it is led by shrewd 71 year-old Dr. Syngman Rhee, who was brought back from his long Washington exile by the Americans in October, 1945.

Rhee now seems likely to realize his immediate ambition of heading an independent, anti-Soviet, American financed regime in south Korea —to which end he has been bargaining with and bullying the Americans for many months.

Rhee has built up a personal political machine comprising several political parties and terrorist "youth associations," a federation of labor, publishing companies, and assorted councils, societies and committees.

Rhee's central organ is the National Society for Acceleration of Korean Independence, which, with its youth and women's subsidiaries, has spearheaded the fight against the trusteeship called for in the Moscow decision of 1945. Even more important to Rhee, however, is his control of the Hankook Democratic Party, the largest ultraright party.

Rhee Influential

Rhee has a broader power than that given him by his own faction. Through the General Headquarters of Korean National Unification, which he created in July, 1946, and through the Anti-Trusteeship Struggle Committee, to which he is adviser, Rhee has more influence than anyone else in directing the extreme right. He has eclipsed Kim Koo, leader of the old provisional government-in-exile, and now to some extent is above the factional battles of the right.

The extreme right dominates the South Korean Interim Government, despite U.S. efforts to bring in a

large number of moderate rightists to counterbalance Rhee's influence. It controls the 25,000 police, who work in coordination with the "youth associations" — jocularly called "police assistance" in one G-2 report.

In October, 1945, in his first public speech after return from exile, Rhee asked belligerently, "is the United States cooperating with the army that occupies the northern half of Korea?"

Since then the line of the extreme right has been uncompromising, even violent, opposition to trusteeship, the US-USSR Joint Commission, Communism in general and the Soviet Union in particular.

The nominal program of the extreme right calls for gradual reform, some nationalization of industry, and democracy—"American style." In Korean its propaganda uses all the standard phrases and slogans of ultranationalism: "national spirit", "blood", "Koreanism", "Korean race", "destiny".

Right Jingoistic

It does not usually use the simple word for Korea, Chosun, but Tai Han, or Great Korea—the Korean equivalent of Dai Nippon. It affects to use the old Korean calendar instead of the Christian one, and a campaign is underway to refurbish Tan Koon, a legendary figure who "founded the empire" 4,000 years ago. An outpouring of jingoistic writings testify to the superiority of the old Korean ways and culture.

For Rhee and his followers a separate government in south Korea is only the immediate goal. They expect to capitalize on the hoped for war between the United States and the Soviet Union. Besides north Korea, some are already saying, they should get a piece of Manchuria and the USSR's maritime provinces.

Nanking, U.S. Seize 100 Ships

Anna Louise Strong

(This is the last of three articles by Miss Strong who is the only American correspondent to visit Dairen since V-J Day.—EDITOR.)

Dairen, (By Mail).

MORE than 100 ships, trying to relieve this city's food shortage by fishing or by trade with adjacent areas, have been sunk or seized by the warships of the Kuomintang. This was stated to me by the head of the Merchants Association and the head of the Dairen trade unions today.

The American armed forces in Korea have contributed their bit to the starving of Dairen by detaining eight to 10 ships that went to South Korea to buy food last winter and were not allowed to come back. But this is a minor trouble compared with America's gift to Chiang Kai-shek of a Chinese navy, which engages in acts regarded here as piracy.

Dairen must live by trade. It is a big city on a small, sandy peninsula whose farms barely feed the 600,000 farming population, leaving no surplus at all for the 500,000 city dwellers in Dairen and adjacent smaller towns. Normally, their food comes from the great food producer, Manchuria, for which Dairen is the port. All around, in South Korea and North China, lie other food-producing lands.

Ships Barred

Today, for the first time in Dairen's history, boats putting out from this port are barred from all these areas. They are barred from South Korea by the Americans, and from North China by the navy of the Nanking Government. This navy bars them even from the high seas. Of more than 100 seized ships, some 40 were fishing vessels seeking a catch for Dairen, the rest were engaged in trade.

I had assumed that only those ships were seized that tried to trade with Communist areas like Shantung. Chairman Yu, of the Small and Middle Merchants Association of Dairen—which has 12,000 members—assures me that this is not the case.

"It is safer to trade with Shantung because you are protected after you reach the port", he stated. "But if we try to trade with Tientsin or South Korea or any place controlled by the Kuomintang or the Americans, we might be seized by both en route and in port".

If a ship putting out from Dairen is caught by the Nanking navy, the best to be hoped is that the vessel will be confiscated and the sailors impressed into the armed forces of some Kuomintang general. It may also happen that the ship will be wantonly sunk, by a Chinese naval vessel too lazy to take it to port, or that the ship may be seized and the sailors dumped into the sea.

Eight Ships Sunk

It is incredible to sit in a sunlit room, as I did today, and talk with trade union sailors who take such murders as part of the risks of their trade. They told me that at least eight of the more than 100 lost ships are known to have been sunk. They also quoted grimly an old Chinese proverb:

"He who fears pirates, should not put to sea".

Since there is nothing whatever the Chinese merchants of Dairen can do to make their peace with the Chinese navy, they take it as they took war, tempest or pestilence, as one more thing that has to be risked in the struggle to survive.

"It is very bad to lose 100 ships", said the chairman of the merchants union, "but we are better off by trying than by staying in port. Some of the ships get back and some of them bring food. If they all stay in port, we all starve".

Dairen is not starving. Last winter the *Central News* of Nanking gloatingly reported that bodies of starved people clogged the streets and that the leaves had been stripped from the trees for food. Dairen people hate the *Central News* for that almost more than they hate the Chinese "pirate navy".

"Many people got weak from hunger", they admit, "but nobody died".

Soviet Vessel Bombed

The Russians helped somewhat. But the Soviet Far East and the Russian zone in Korea are also deficit in food. One Soviet steamer, incidentally, was bombed by a Chinese plane that took off from the American naval base at Tsingtao, a Russian captain told me. The bombs didn't hit, and the Russians kept quiet about it, not wishing to start a storm that might smash the Sino-Soviet Treaty. It's worth asking what America would do if Chinese Communist planes took off from the Russian base at Port Arthur to bomb American trading ships near Tsingtao!

Dairen licked famine by a score of methods: by gardens in the back yards, by sending surplus people back to the farms, by a ration system. But chiefly by the ingenuity of Chinese merchants and the heroism of Chinese sailors and cart drivers.

Expeditions went through Kuomintang lines into Manchuria, bribing heavily in both directions. Ships took advantage of storm and fog, traveling when the Chinese navy was not abroad. The merchants feel the people's support for a merchant who brings in food is not taxed on any of the operations connected with it.

Despite their difficulties, the Chinese I met in Dairen think they are fortunate as compared with other Chinese areas under the Kuomintang.

"We have lost 100 ships but we have kept our democratic government. Nobody loots our factories as they do in Formosa. Nobody shoots up our students as they do in Hankow. We have suffered hunger and cold but nobody died of starvation. That's more than they can say of Shanghai with all its wealth".

KUNMING PREPARES FOR ELECTION

HELEN P. F. SHIH

(Special Correspondent, The China Weekly Review)

Kunming, (By Mail).

IN May, 1935, Generalissimo and Madame Chiang Kai-shek visited Kunming on a special mission to supervise the suppression of the Communist bandits. Two months prior to their arrival the Provincial Government began organizing a special Welcoming Committee, spending millions of dollars on window dressing although the Generalissimo and his wife spent but a few days in Kunming.

Twelve years have now rolled by and not only have the Communist bandits not been suppressed, but quite to the contrary, they have grown stronger and stronger. However, in the course of this Civil War it is the lao pai hsing who have suffered and still continue to suffer. On August 19 of this year, General Chu Shau-liang, Chief of the Chungking Headquarters, arrived in Kunming reportedly to give comfort to the people of Yunnan and to tell them again of the Government's policy of suppressing the Communist bandits and its plans for reconstruction. During his 10-day stay, General Chu was kept extremely busy addressing and comforting high ranking officials, KMT big shots and military men at a number of grand feasts given in his honor. Once again, billions of dollars were spent to impress a high official.

The people always gather in tea shops to gossip. They say they do not desire false comfort; they want true peace. They say they want an end to the hateful Civil War immediately. The local papers continually report news of killings, kidnapings and thefts. There are thousands of unemployed in Kunming, so why does the Government not use some of the taxpayers' money to benefit these people instead of spending it on "grand feasts" for visiting officials?

* * *

THE Yunnan Branch offices of the Young China Party and the Democratic Socialist Party were established on August 17, and September 4, respectively. All the local newspapers reported the ceremonies with double headlines. Manifestoes explaining each party's principles, history and future plans were posted everywhere. In the coming general elections for representatives to the National Assembly and members of the Legislative Yuan and the Control Yuan, both parties will play an unparalleled role although they have only a small number of supporters in Yunnan.

The 42-year old chairman of the YBO of the YCP, T'ang Sheau-ming, son of T'ang Jee-yao, is a Japanese returned student. His father was the late governor of Yunnan. The YBO is located at T'ang's home, 71 Pei Men Kai, Kunming.

Fon Tze-jun, an aged native of Yuhchihsien, is chairman of the YBO of the DSP. It is said that 20 years ago Fon gave a helping hand to General Ho Ying-chin when the latter was at the lowest ebb of his fortunes in Yunnan. Later on, Fon, aided by General Ho, became a notorious doctor, ostensibly curing tuberculosis in Shanghai, but actually devoting a large part of his time serving the former National Military Council. All the responsible members of the Yunnan Branch offices of the YCP and the DSP, in the eyes of Yunnanese intelligentsia, are a gang of hired party vendors.

League Not Represented

Last summer, the Yunnan Branch Office of the Democratic League was established in Kunming, but with the exception of *Kuan Char Pao* (Observer Daily) which described the League's aims with some enthusiasm, no other paper published anything but the briefest item supplied by the *Yunnan News Agency*. This is one of the reasons why the *Kuan Char Pao* was accused of being the organ of the DL.

Following the Li-Wen assassinations, the YBO of the DL was forced to curtail its activities owing to the undemocratic conditions prevailing. One crystal clear fact is that the YCP and the DSP are playing satellite parts in the sugar coated democratic coalition government, while the Democratic League opposes and attacks the KMT. Does this indicate that China has a "multi-party" Government?

According to the decision made by the first National Assembly, which passed the "democratic" Constitution in its plenary session in Nanking last December, the KMT's "tutelage period" will end and the Constitution will be put into effect on December 25, 1947. At that time, China will either be on the road to "democracy" or ready to begin another "tutelage period," this time controlled by the KMT, YCP and DSP.

The general elections for representatives to the National Assembly and for members to the Legislative Yuan will be held on October 21-23 and December 21-23, 1947, respectively, throughout China. The five members to the Control Yuan will be chosen from the Provincial Council. The Yunnan Provincial Election Office comprised of the above mentioned three parties was established on August 18. In accordance with the nomination regulations, candidates, before participating in the elections, must give up their official positions in the Government and are required to register themselves at the different election offices between September 1 and September 30.

In Yunnan, the 132 representatives to the National Assembly are to be chosen from the municipality of Kunming and 131 hsien, and the 14 members to the Legislative Yuan (including one woman member) from

FLASH

Frisovsky Coal & Transportation Service offers:

Hongay and any kind of coal. Apply now and be convinced that Frisovsky's Service never fails. Tel. 37306.

復旦大學教授 顧仲彝先生編註
大學近代英文選
College Modern English Readings
實價 三萬元

王榮華 許文苑編註
大學情詩精選
The World's Best Love Poems For College Students
實價 四萬元

東新書局印行
上海重慶南路十七號
電話八三八六四號

TUNG SING BOOK CO.
17 Southern Chungking Road
SHANGHAI, CHINA.

the divided-three-districts. Never having been abroad, I, of course, don't have any first hand information on election procedure elsewhere, but in China we always have a lot of interesting stories. It is said that the candidates of the KMT, YCP and DSP have a ratio of three to one. That is, the KMT has three candidates, YCP has one and the DSP has one—as planned by their headquarters. If this is true, those qualified lao pai hsing who are non-partisan, are deprived of any chance to be chosen. This seems to be a controlled unjust election procedure rather than a general election.

KMT Majority

To the best of our knowledge, two-thirds of the candidates are KMT members, including a number of intensely corrupt officers who are still holding their official positions. A typical example is Gaw Tsung-kwee, a member of the Chu Chia-hwa (Minister for Education) Clique, and principal of the National Southwestern Chung Shan Industrial School in Kunming. This school, according to the Ministry of Education, has four departments, and government subsidies to support 1,000 students. Actually, only 800 students attend. Nor is this all. Students whose marks fall below 75 have been granted only half the subsidy, which is indeed a striking blow to those poor students who depend on the subsidy for their livelihood.

In May, 1947, the students held a general strike, in protest against Gaw's illegal actions. One of the terms on which the students insisted was that unless Gaw proved the legitimacy of his actions they would present an accusation to the Ministry of Education. Under great pressure, Gaw was forced to accept all the terms and pay the students the full subsidy.

Cartoon of Principal

The students announced that during his two years' tenure of office, Gaw had misappropriated CN$100,000,000,000 from the school funds. His modern, foreign style house, still under construction, is said to be tangible proof of his ill gotten gains. A cartoon showing the corrupt principal dressed in foreign clothes and making a bow before the portrait of Dr. Sun Yat-sen, was drawn by the students. Above his head in circles are drawings of magnificent foreign buildings, automobiles, charming concubines, etc. The headline says that this is the "model" principal, and, at the bottom, with the help of a magnifying glass, one can read the four big Chinese characters: "Sheng Kuan Fa Tsai," meaning "improve your position and become rich." This, I think, is a vivid picture of all corrupt officials in China. This is also why our country is so inferior in the family of nations.

Gaw Tsung-kwee is one of the candidates for representation to the National Assembly from his native hsien, Hoching.

Elections Controlled

There is little doubt that most candidates are either big shots or influential persons, both in their particular hsien and in the province of Yunnan. These candidates are still able to control the elections, although some have not returned to their native places for several years. Some have resorted to founding "special organizations" in an attempt to use their special power to manipulate the elections, while others are giving feasts, or begging people to influence their friends and acquaintances to vote for them. Many of them are going so far as to utilize their daughters and concubines in the struggle for votes. Furthermore, since 80 percent of the Chinese people are illiterate, the pao chia chiefs, the running dogs of the rich, will certainly contribute towards influencing the election.

In China money is everything. An observer, criticizing these election preliminaries, said: "Anyone who wants to be chosen as a representative to the National Assembly or as a member to the Legislative Yuan may post a red notice on his door saying 'This house is collecting the votes.'" This hits the nail on the head regarding the elections.

The wife of one commissioner is endeavoring to win the election as a woman member to the Legislative Yuan. With the aid of her husband, all female civil servants in government organizations have been advised to join the Provincial Women's Society, and every member, besides her own vote, is responsible for getting three additional votes for the woman in the impending election. A young boy of my acquaintance is allowed to study in a normal school here at government expense on condition that his sister gets 10 votes for this candidate who will, of course, have the upper hand.

Farmer's Burden

In contrast to the colorful election picture, this province has been ordered to recruit 14,000 able bodied men and to give 1,875,000 piculs of rice to the Central Government to support the Civil War. This is an additionally heavy burden on the farmers who gave more than they could afford during the war with Japan, and especially hard on those farmers who have been rendered homeless by the floods this year. Besides, every house, according to the class division, is forced to donate CN$10,000 to CN$100,000 to support the new recruits' families.

The lao pai hsing insist that it matters little whether the KMT or the CP run the country as long as the Civil War is ended. Why should the Government force them to give money and food for its continuation? To this question, only the warmongers have a satisfactory answer.

A resolution recommending to the Government that a Big Four conference be called to decide procedure on peace making with Japan and that the Ryukyus island should be ceded back to China, was passed by the Resident Committee of the People's Political Council recently, *UP* reported. The Council asked that the main peace conference be held in Mukden in September, 1948, on the 17th anniversary of the Mukden Incident and said the treaty should be signed in Mukden. It also proposed a 30 year control of Japan by the Big Four and the abolition of the present Emperor system, though permitting Japan to remain a monarchy.

Science Institute & Museum In West China

C. C. CHEN AND PAI-NAN SHIH

THE plan to establish a science institute at Peip'ei, Szechuen, was first conceived in the fall of 1930 when Mr. Lu Tso-fu was travelling in South Manchuria. There he observed that many Japanese research institutes had been established for the sole purpose of investigating the natural resources in that region. Without doubt, these institutes served as an effective means to serve the Japanese' ends of aggression.

Impressed with what he had seen, Mr. Lu began to exert every effort towards laying the foundation of a research institute at Peip'ei and manifested great fortitude in his struggle for its realization. He first sought the assistance of sympathetic workers from Szechuen and Sikang and finally succeeded in attracting attention from all over China. With the aid of such notable personages as Drs. W. H. Wong, S. S. Hu, C. Ping, H. C. Zen, C. L. Tseng and others, this youthful institute was able to secure the cooperation of the various cultural bodies throughout the country.

The newly organized institute was called the Science Institute of West China, with General Liu-Sjang as Chairman of the Board of Directors and Mr. Lu, the founder, as its President. Housed in an antiquated and tiny temple, it consisted of four departments—physics and chemistry, biology, geology and agriculture and forestry. These departments were confronted with the task of studying the mineral resources, making geological surveys, collecting biological specimens and investigating the agricultural and forestry products of

West China. To supplement the work in these research departments there were also established a zoological and botanical garden, a library, primary and secondary schools, meteorological station and agricultural experimental station.

Despite such difficulties as limited manpower and material poverty, this institute has in recent years analyzed over 10,000 samples of coal obtained from the region along the Chialing River and other places, thus paving the way for low temperature carbonization and tar distillation industries. A survey of the border of Szechuen province has resulted in a new map of that province, accurate to one-500,000 inch. An iron mine has been discovered at Chih Chang upon which rests the possibility of developing an iron and steel industry in West China. Also to the credit of this Institute is the fact that over 100,000 biological specimens have been collected, which, being highly valued by learned societies in China, constitute the basis for further zoological and botanical study in West China. The story of the Institute's achievements, however, would not be complete without mentioning the large scale plantation of tung trees and the introduction of water melons into Szechuen province. On bare Si-San-Ping mountain, a vast field of water melons has been cultivated and the success of this experiment has made the name of the mountain famous in this country.

New Quarters

Within a period of five years, the institute has made phenomenal progress, and as the number of scientific instruments, chemicals, books, etc. were increased the temple was found to be too small. Fortunately, through the financial aid of General Yang Tze-Hwei, Yang's Hall was erected and in the fall of 1935 the departments of geology, biology, physics and chemistry were removed to the new building.

During the early days of the war more than a score of cultural organizations were accommodated under the roof of this institute. Many scientific workers expressed their appreciation of its achievements and some went so far as to call it a miracle, and indeed it seemed to be such that impelled the workers to go forward without fear and with little rest, but actually it was the chief of the institute whose indomitable spirit influenced all who came into contact with him who was responsible for the "miracle." In charge of the various departments were young graduates of the national universities whose assistants came from middle schools. These young people encouraged each other and exchanged their views thus bringing a spirit of cooperation into the institute.

At first the institute depended for its financial aid upon the subsidy of the local government, later contributions from the banking circle in Chungking relieved the financial strain to a certain extent, but the institute has always labored under pecuniary shortages. During the most adverse period, the cook of the institute was obliged to borrow rice and table salt in order to prepare the daily meals. At one time, those members who had families to support could only receive five dollars a month, but whenever there was a sum of money available, the chiefs of the various departments would contend furiously for a portion on behalf of their respective departments. They did this solely for the sake of obtaining more equipment for research, never for personal reasons.

Amused at Hardships

Upon many occasions the institute has sent out field teams to collect biological specimens. The field workers, barefooted, climbed high mountains, enduring rain and hot sun, often associating with bandits and savages, and regarding such hardships with amusement. It is inspiring to watch such enthusiasts at work for they treat each other as brothers and the institute as their own. Their solidarity and cooperation indeed deserve our wholehearted admiration.

In the fall of 1937, as the Japanese troops pressed steadily westward, the Science Institute, determined to offer its services to the nation, extended an invitation to those cultural bodies who were being forced to evacuate to resume their activities at Peip'ei. Yang's Hall was thrown open for their use unconditionally and the adjacent grounds were put at their disposal for the construction of new buildings. At that time, the financial condition of the institute was quite serious and its development was, perforce, stunted. Nevertheless the members of the institute concentrated their energies on helping brethren institutions and using every available opportunity to study, thus, although the institute's financial state was critical, Peip'ei became a center of culture.

Museum Established

In the winter of 1943, it was proposed that a museum be established in Yang's Hall. The original collections of the Science Institute as well as specimens contributed by other institutions formed the nucleus of the museum's exhibits. Dr. W. H. Wong was elected chairman of the Board of Directors and Mr. L. Y. Lee, chief of the Department of Physics and Chemistry, of the Science Institute was responsible for the execution of the museum's program. Unfortunately, these plans were made at the time of the evacuation of Tu-Shan, and Chungking was in a state of grave confusion. However, with the hearty cooperation of its founders the museum was officially declared open on December 25, 1944, after a preparatory period of one year.

Today, over two years later, the museum comprises six departments: industrial and mining engineering, geology, geography, biology, medicine and hygiene and agriculture and forestry. In the beginning there were 13,503 exhibits but today that number has increased to 107,190. The museum's most important missions are to facilitate scientific research and promote scientific education. As to the former, studies on fresh water fish culture, harmful insects, the habitation of animals and the compilation of fauna and flora of Peip'ei have already begun. To attain the latter, the following practices have been adopted:

(1) **Exhibitions.** The museum is open to the public every day except Monday, which is a holiday for staff members. On public holidays or festivals visiting hours are longer than usual and the exhibits are changed from time to time to encourage visitors to return; this may account for the increase in the number of visitors year by year.

(2) **Extension Service.** The museum staff issues a monthly paper called "Natural Sciences" which contains information on current scientific discoveries and technological developments. It is presented in simple language and liberally illustrated with pictures, both text and pictures being executed by hand.

(3) **Laboratory Facilities Provided.** There are six secondary schools in the vicinity of Peip'ei none of which are equipped for the teaching of science. In order to supply such facilities, the museum has recently equipped two laboratories, one for biology and one for chemistry, for the use of the schools.

(4) **Scientific Specimens and Models.** The museum has a large collection of botanical and zoological specimens from Szechuen and Sikang, and has undertaken the construction of models of geographical, geological, physiological and anatomical interest which, besides being exhibited in the museum, are available to colleges and schools for teaching and research.

The accomplishments of the institute and museum so far are entirely due to the efforts of a few individuals, who, in the course of a few years have won recognition and acclaim from the whole country. Although both institutions are short of funds their respective members continue to work with the same energy and courage as they did in the early stages of development. Indeed, it is by no means an easy task for a self supported cultural organization to maintain its existence under present conditions.

The time limit for spending the $60,000,000 (Canadian) loan made to China by the Canadian Government has been extended to the end of 1948 as a result of negotiations concluded between the two governments. Originally the deadline was the end of 1947. Up to the present China is reported to have spent only C$40,000,000. The loan is to be used for purchasing railway and shipbuilding materials, flour, etc. from Canada. Under the terms of the agreement the loan should be paid back in instalments before 1977, said the *Commercial Journal*.

* * *

The All China Textile Manufacturers' Federation disclosed that China has at present about 4,500,000 spindles of which 3,800,000 are in operation. It was also revealed that China cotton mills have a total of 64,740 cloth weaving machines of which 47,228 are in use at present. The total number of weaving and spinning factories in China is 230. The state-operated China Textile Industries, Inc., owns 1,742,000 cotton yarn spindles, 336,000 cotton thread spindles and 38,000 looms of which 30 percent are idle owing to military operations in the Northeast coupled with an inadequate power supply.

All THE COMFORTS OF INTERNATIONAL FLIGHTS

NOW available to COASTLINE TRAVELLERS...

CNAC Luxury SKYMASTERS

now offer up-to-date passenger accommodation plus extra speed on Shanghai - Peiping, Shanghai - Tsingtao and Shanghai-Kunming flights in addition to the well known International routes to Hongkong, Manila, Calcutta, Honolulu and **SAN FRANCISCO**

★ Carefully trained, friendly stewardesses serve hot meals and refreshments during flights and see to it that you will enjoy every mile of your journey.

★ Individually adjustable seats with 3 reclining angles allow a change of position for your convenience. Just press the button! And if you care to take a nap, a word to your stewardess will produce pillows and blankets.

CNAC
The Pioneer Airline of the Orient

CNAC's vast domestic network links Shanghai with all the principal cities of China carrying passengers, freight and mail on regular scheduled flights.

AUTHORIZED TRAVEL AGENTS:

★ China Travel Service ★ Szechuen Travel Agency ★ American Express Co. ★ Travel Advisers ★ Thomas Cook & Son Ltd. ★ Orient Lloyd

For Reservations Please Apply:

China National Aviation Corporation

Booking Office:
20 Nanking Road (East), 8 Sassoon House, Telephone 15757

COPY AND LAYOUT BY YARON STUDIOS, 1947.

Japanese Industrialists Exploit Children

A. Vysoko-Ostrovsky

(The author of this article is a Soviet newspaperman who has just returned from a six week visit to Japan. This article was written for the CHINA WEEKLY REVIEW.— EDITOR.)

Moscow, Sept. 24.

WHEN Douglas MacArthur landed on the Atsugi airfield following Japan's capitulation, he set foot on Japanese soil with the great word "Democracy" on his lips. He promised the Japanese people to open the road to a life of happiness and real freedom. Declarations followed one another dealing with the equality of citizens, the eight hour day, fair wages.

This honeymoon of promises is long since ended. A year passed. Another began; it, too, passed. And what do we see?

In Osaka I visited the textile mill controlled by the "Kanebo" firm. Its owner, Kurati Sirao, served Japanese imperialism faithfully all his life. Now he sits as before in his office and directing the business of the mill. His mode of life has not changed much. As always, the Japanese firm of Kanebo controls the cotton mills of Osaka, Kobe and Tokyo. Before the war the firm employed nearly 100,000 workers. Today it employs 75,000.

* * *

KURATI talked to me in the presence of his secretary and six American officers. An American, Lieutenant Scubie, accompanied me as a representative of the intelligence service of MacArthur's staff, and never left me. A second American officer, Bradley, represented the second department (G-2) of the staff of the First Occupation Corps. The other four were from the military police of the local American garrison. All my questions and Kurati's answers were taken down by each one of the six American officers.

Kurati, short and stout, spoke cautiously and with reserve. He was clearly not disposed to have a frank talk and was very sparing of words. I was able, however, to gather from that interview and from conversations with other people information of a highly interesting nature.

The mill in Osaka has been in existence for 53 years. A typical Japanese textile mills, it produces cotton fabrics and dyes them. This mill, employing 1,850 workers, belongs to a limited company.

"To which company?" I asked.

Six pairs of American eyes cast a severe glance at Kurati Sirao, and no answer came to my question. Later, however, when we were making the round of the mill, and the noise of the looms did not permit every thing said to be heard by the American officers, I was able to learn something from Okada, the technical director who accompanied us.

As hitherto, the main bloc of shares belongs to the Kanebo firm. The difference at present is that whereas before the war the firm was successfully competing with American and British fabrics on the world market, it now works entirely for the Americans. Kurati does not complain much about this new situation. The only thing that worries him are the low prices fixed for the products of the mill, but he hopes for better times.

"And how do things stand with regard to raw materials?" I asked Okada.

He replied that the Americans were providing raw cotton from the stocks they seized in Japan and in China.

Products Go To U.S.

"All our products, to the last meter, we ship to America," the director explained, when I asked him to tell me how they paid for the raw material. "The firm signed a binding agreement to this effect with the textile companies of the United States."

A similar picture of the enslavement of Japanese industry by American capital may be observed in many other factories and mills. In Kyoto, the Kawashima silk mills are also operating on raw materials received from the Americans. For this they are obliged to ship to America all their products at a low price. Trading in silk of superior quality is prohibited in the Japanese domestic market.

Kurati struck something like a keynote in the course of our conversation in his room: "I'm a businessman. I realize that it is the Americans who have come to Japan and not *vice versa*." And he has willingly taken service with American capitalists.

There is some sense in it. Indeed, Kurati, the shareholders of the Nagasaki Shipbuilding Wharf, the owners of the silk mills of Kawashima and many others included in the financial orbit of the United States gain advantages from it. The labor power for which they pay almost next to nothing and the intense exploitation of the Japanese population bring them profits. The only sufferers are the toilers who find themselves under a double oppression of foreign and Japanese imperialism.

I was told that the average age of the workers in the Osaka Textile Mill was 23 years, that youths and girls under 18 were not allowed to be employed in accordance with the new labor laws, that the working day was eight hours. But all this appeared to be untrue.

Child Labor Used

I saw in the mill hundreds of adolescents and young children. There were very few men working there: it is not profitable to employ them, as the women's pay is 50 per cent lower. As for the children, they are paid nothing at all.

In the bleaching shop, where the air was saturated with acid vapors, I went up to a little girl who was choking with a cough as the stood by a vat. She was no more than 10 years old. Silent tears were flowing from the child's inflamed eyes. Now and again she would cover up her waxen face with a white rag, through which blood would coze. Emiko, as the little girl was called, was suffering from tuberculosis.

"And how old is *she?*" I asked Okada.

The director's answer was staggering:

"She is not working; she is only helping her parents."

Exploitation of child labor, masked by the "helping-the-parents" formula, is now practised widely in Japan. Children are officially not counted among those employed in factories; they work alongside adults for 10 hours a day or more and receive nothing for it. They are "helping their parents." Their mothers and fathers, exhausted by starvation and destitution, afraid of being thrown out into the streets for failure to fulfil the unduly high norms of output, are forced to bring their little ones to work in the mill.

* * *

I had an opportunity of seeing a similar picture in one of the Kawashima silk mills in Kyoto, the ancient capital of Japan. A group of looms were operated by the Hachigawa family: father, mother and five children, their ages ranging from eight upward.

"Do these children receive anything?" I asked.

"No, child labor is not paid for; such labor is prohibited by law. But children are permitted to help papa and mama."

We were shown the dwellings of the Osaka textile workers. They

live in barracks and sleep on dirty mats. Three or four families, with the children and old men, are crowded into one room. The mill deducts the rent for these quarters from the workers' wages. The workers are also charged for the meager food, cooked from grass and rotten fish, and for "municipal services."

"How much do you earn?" I asked one of the working women.

Her answer sounded like a piece of bitter humor:

"Our earnings are good, but we get nothing."

The Japanese employer hands over to the worker no more than Y500 monthly. When the earnings are higher than that figure, the excess remains in the hands of the employer. The worker is promised his money later, when the country's economic life is organized. In accordance with the directives of the Ministry of Finance, however, all the deductions from the unpaid wages are made from the money paid in cash to the worker. This does not, of course, apply to the income of the propertied classes.

Trade Needs Price Control

J. R. KAIM

TO say business circles are profoundly disappointed with the results of the flexible foreign exchange policy introduced in August last is to put it mildly. Quite a number of people had believed that the introduction of that system was the overture to a new foreign trade policy and that future problems would be tackled in a really constructive manner.

However, price developments as well as production reports provide plenty of food for thought but not quite the food needed. Nor are foreign trade results satisfactory. With their fingers very close to the pulse of finance and commerce, businessmen are aware of the fact that most of the old bottlenecks continue to exist, while new ones are being created.

In the course of September the rice price in Shanghai gained over 30 percent, flour went up 37 percent and typical Chinese export goods such as tungoil and raw silk showed price increases of 40 percent and over 40 percent respectively. The Central Bank's US dollar cover rate, on the other hand, was CNC$38,500 at the end of August and CNC$49,500 at the end of September, a difference of nearly 30 percent.

It is possible and even probable that export *results* in September have been comparatively satisfactory, but new export *orders* in September are believed to have shown a new decline: prices of China produce have been too high. One of the reasons no doubt is the shortage of imported basic materials. In other words, by adhering to its import restriction scheme the Government is endangering the export trade. How, under such conditions, the Government expects to close the yawning gap between overseas receipts and overseas debts is hard to imagine indeed. A great chance, it seems, has been missed.

Quite obviously, price developments in September have shown that commodity prices were increased by speculation and that such speculation was based on the fact that essential goods were scarce so that consumption exceeded production and imports. The grave dependence on imports by an economy as far from self-sufficiency as that of China can hardly be overestimated, but is likely to have been underestimated: it is a safe forecast that if the import policy is not altered in the very near future, values of exports, including raw materials, will decline swiftly. Such declines may not always be perceptible from the Customs returns (which contain all consignments shipped abroad) but the decrease in incoming overseas receipts will be felt by the Central Bank.

Generally speaking, an increase in imports, of course, means an unfavorable balance of payments and an increase in exports a favorable one. But when a government realizes that too few imports of essential goods jeopardize the nation's economic foundations, it should lose no time. Within the broad field of foreign trade and exchange control, several mechanisms are known; no government is obliged to stick to a method the shortcomings of which are so obvious, as in the case of China's control system.

The seriousness of the economic dangers ahead is hard to describe in sufficiently impressive terms, but a swiftly growing speed of currency inflation is almost a matter of course. While prices will jump, consumer spending will decline and the cost of living increase. A sharp increase in production cost, naturally, follows.

Such facts are bad enough, but in addition there has been, in recent weeks, a bumper crop of rumors to the effect that the Government wants to control and take over Chinese assets abroad. As most of such assets are believed to exist in the form of investments abroad, it is hard to see how the Government hopes thereby to obtain any considerable amount of foreign exchange. Usually, big fortunes do not simply appear on bank accounts. And even if American and British banks would "give away" their depositors, the crop would be comparatively small. Furthermore, if the Government did succeed in obtaining huge amounts of foreign exchange, there would be no assets abroad for purchasing basic materials once the now prevailing import restrictions were partially lifted.

With the prospects so menacing, one hopes the Government will, as early as possible, alter the import regulations and allow private initiative to increase imports of staple food, machinery and basic industrial materials. Despite the tremendously high interest rates charged on the Shanghai open or black market, i.e. by individual lenders and "native banks," such enlarged imports would probably go a long way towards altering and improving the general economic picture. Certainly, some products are scarce throughout the world and, therefore, expensive; but the bulk of commodities needed in China are available at rates far below local quotations.

This does not mean that a system of unrestricted operations in foreign exchange should be applied at once. But it does mean that the prevailing system must be altered.

Reading market reports from Shanghai, Tientsin and Hankow, one wonders what is being done to check the rapid upward movement in commodity prices. A short item recently released by the *Economic News Bulletin*, published under the auspices of the four national banks, claimed that foreign exchange rates are not influenced by fluctuations in commodity prices but are fixed "according to the actual demand of China's exports." Obviously, this indicates that when commodity prices advance, the rate of exchange is bound to be altered with a view to rendering Chinese products saleable abroad; and this means that, contrary to the statement, exchange rates do depend on fluctuations in commodity prices.

The same statement said that while commodity prices in general have shown increases of around 40 percent —since the beginning of September last—"export goods showed only an increase by 10 percent." And that fortunate fact indicated, according to the statement, "that the fluctuation was independent of that of foreign exchange." Were that statement correct, everything here would be fine and splendid. But as long as silk, tung oil, feathers and manufactured goods are considered export cargoes, the 10 percent price increase is but a wonderful dream. During September last alone, silk gained in price almost 45 percent, and tung oil more than 40 percent and those manufactures of which large quantities used to be exported before the war, have gained between 30 percent and 50 percent, compared with a 20 percent increase in official foreign exchange rates.

What actually happens is that black market activities are gaining ground. What happens is that, just as was the case before the introduction of the flexible foreign exchange policy, The Central Bank gets only a certain or, rather, uncertain percentage of the foreign exchange available on the markets. And while for seven months large ship-

First Year Of Securities Exchange

TAO WEI-LIEN

FORMALLY established on September 9, 1946, and officially opened for business one week later, the Shanghai Securities Exchange has completed its first year of existence. From the Chinese Shanghai Stock Exchange, it was reorganized last year with a capital of CNC$1,000,000,000, of which 60 percent was contributed by the original shareholders and 40 percent by Government banks, including the Bank of China, the Bank of Communications, the Farmers' Bank of China, the Central Trust and the Postal Savings and Remittance Bank.

The past year has been one of continual disturbances, which were manifested in the Exchange by violently fluctuating stock quotations causing heavy losses to some brokers and great profits to others. During the first three or four months after the opening of the Exchange quotations dropped; as a matter of fact, quotations of stocks and shares, which had increased during the summer of 1946 in anticipation of the rise of quotations following the reopening of the Exchange, were all down in the opening months. A number of stock brokers found it expedient to close down and not a few declared themselves bankrupt.

However, from December until April the situation changed somewhat. Quotations continued to rise as commodity prices increased, and soon after the "gold rush" of February, when transactions in gold and greenbacks were forbidden, quotations of stocks and shares advanced further as idle capital concentrated in the Exchange. In some cases quotations increased as much as 20 times, creating a very prosperous situation for the stock merchants.

However, from the Dragon Boat Festival to the Mid-Autumn Festival (September 29) market conditions remained quiet. Quotations on some shares dropped as much as 50 percent, again resulting in heavy losses to many brokers and operators, with the exception of short operators, who made small profits.

Now, at the end of its first year, businessmen are predicting that the market will soon become active again. With the considerable increase in commodity prices during the past month, it was believed by many operators that following another firm trend in commodity quotations, it was possible that idle capital would be shifted back to stocks and shares. But just when businessmen will sell their goods and invest their money in stocks and shares, is hard to say.

In this connection, it should be noted that quotations for stocks and shares showed a gain of 100 percent over commodity prices. The *Shang Pao* reported on September 9 that average quotations for stocks and shares from September 16, 1946 to August 23, 1947, increased by 11 times, while the index of commodity prices increased by only 6.4 times.

It is not hard to point out the many shortcomings on the exchange which one year of operation has shown. For instance, stocks and shares of only a little over 20 firms have been traded on the exchange, among the most important being Wing On Textile, Mayar Silk, Commercial Press, Great China Match Factory and China Cotton Mills Ltd. Many of the very important Chinese firms, such as Nanyang Brothers Tobacco Co., and many leading Chinese banks have thus far not traded in the exchange. In other words, as only the stocks and shares of a limited number of concerns are now traded in the exchange, it can hardly be called the financial market of China.

As a result of this shortcoming, stocks and shares of many large companies not represented in the exchange, have been bought and sold on the so-called black markets outside the exchange. As a matter of interest, in these black markets, stocks and shares of companies trading in the exchange have been bought and sold by businessmen for large sums, but most of these transactions are settled daily and no actual exchange takes place.

These markets have become gambling houses and the authorities have been making a very earnest attempt for the past few months to stop their dealings by cutting off their direct telephone lines and raiding their headquarters. As long as these black market dealings remain and as long as transactions in the black market (because of the large volume of business) influence the quotations of the exchange, it will be very difficult to put the exchange on a sound working basis.

In addition to Chinese companies, trading in stocks and shares of many British firms and a few American firms is also found in Shanghai. As these transactions do not take place in the Exchange, they must be considered as black market trading. Very often, because of wide fluctuations of Hongkong dollars quotations or other rumors, operators rush to buy these so-called "foreign" stocks, thus creating a heavy increase in quotations. Dealings in these stocks are naturally not protected by law.

On September 10, 1946, Ewo Cotton was quoted at CNC$9,150 but by September 10, 1947, it had increased to CNC$93,300, or by 10 times in the period of one year. Wheelock, which was quoted at CNC$18,000 last year, rose to CNC$232,000 this year, an appreciation of 13 times. During the same period, Paper Industries advanced from CNC$1,850 to CNC$ 27,000 or by 15 times.

As the value of fapi continues to drop, it becomes more difficult to operate the exchange as a market for financial investments; it remains a market of speculation with the protection of the law.

---

ments of badly needed commodities have been detained by the Customs, prices of most essential goods continued to go up.

Obviously, the import quota system —with no price control enforced— has failed and should be replaced by a more productive, more realistic trade and foreign exchange regime.

SHANGHAI MARKET

MONEY MARKET

Shanghai's money market was tight during the past week ending September 27 because of arrival of the Mid-Autumn Festival settlement. Government banks called in CNC$515,400,000,000 during the week, while foreign banks called in CNC$845,400,000,000. The 50 large banks called in as much as CNC$1,370,000,000,000, but other banks paid out CNC$2,731,600,000,000. Black market interest rate increased from last week's 16 percent to this week's 22 percent.

FOREIGN EXCHANGE:

Open market rate of American dollar raised from CNC$42,500 to CNC$49,500 by the Foreign Exchange Stabilization Committee during the week. Meantime, black market rates appreciated considerably.

STOCK AND SHARES

As a result of the sudden jump in foreign exchange, quotations for stocks and shares rose only to slide down again by the end of the week because of the tight money situation.

	Sept. 27	Sept. 20
Wing On Textile	262	214
Mayar Silk	412	384
Ewo Cotton	131,000	104,000
Bond C	15,600	12,700

RICE & CEREALS

Despite government instructions for free transportation of rice along the Yangtze River, price of rice increased because of military activities and the general hike in commodity prices.

	Sept. 27 CNC $	Sept. 20 CNC$
Rice	620,000	550,000
Wheat flour	172,000	148,000
Bean oil	1,090,000	1,030,000

COMMODITIES

Prices of commodities continued to rise during the week. With the exception of cotton yarn, for which the authorities were planning to demand registration of local stocks, all others advanced unchecked.

	Sept. 27 CNC $	Sept. 20 CNC$
Raw silk	46,000,000	42,000,000
Rayon	47,800,000	42,300,000
20's Yarn	17,400,000	14,600,000
RQ cigarettes	179,000	151,500
KB soap	620,000	533,000
My Dear Matches	4,000,000	3,420,000
Newsprint	580,000	450,000

美孚公司

Mei Foo Kung Ssu

STANDARD-VACUUM OIL CO.

Cable Address: "STANDVAC" Telephone 12487

HEAD OFFICE
94 CANTON ROAD,
SHANGHAI.

BRANCHES IN ALL PRINCIPAL CITIES OF CHINA

PRODUCERS, REFINERS AND MARKETERS
OF PETROLEUM PRODUCTS

Correct Lubrication For All Machinery,

Industrial:—

Air Tools, Cement Mills, Compressors, Conyeyors, Cranes, Crushers, Diesels, Electric Motors, Elevators, Fans, Gears, Paper Mills, Pumps, Railroad Equipment, Rubber Mills, Steam Engines, Turbines, Woodworking, Etc.

Marine:—

Diesel and Steam Engines, Turbines, and Deck Equipment.

Automotive:—

Gasoline and Diesel Powered Vehicles.

Fuels:—

Diesel and Fuel Oils, Gasoline, Kerosene.

Process Products:—

Cosmetic and Insecticide Base Oils, Petroleum Alcohols, Naphtha Solvents, Wetting and Drying Agents, Microcrystalline and Paraffine Waxes and Enamels.

What U.S. Papers Say . . .

FEAR that censorship may be imposed on foreign correspondent's stories out of India prompted a *New York Times* editorial last week, while other papers commented on Indonesia, and the current purge of Government employees in the United States.

* * *

India

"THERE have been disquieting reports from India recently of Government dissatisfaction with the stories of communal rioting that have been sent from there by foreign correspondents," said the *New York Times*. "What our Robert Trumbull calls 'gentle pressure' is being exerted by the Information Ministry on foreign correspondents to present India in a 'proper perspective.' The Indians seem to feel, Mr. Trumbull says, that reports of the bloody rioting may create an unfavorable impression abroad and raise the question of the ability of the Indians to rule themselves. Censorship seems to be just around the corner.

"The two new Governments of India could make no greater mistake at this time than to impose censorship . . . Censorship never altered a single fact. Nor did it ever conceal facts for long. The truth will become known eventually, and its impact, if it has been dammed up behind a censorship wall long enough, can often be much more devastating than the total of the information involved, had that information been allow to flow freely, from day to day . . . . If censorship is imposed, every story out of India will be suspect . . . . It is hoped that the Indian officials will recover from their present nervousness and have another thought on the matter. If they desire the goodwill and understanding of the rest of the world they surely will."

* * *

Indonesia

THE *Washington Post* declared that "hope of ending the hostilities in Indonesia seems to be brighter than at any time since the beginning of the Dutch 'police action' in July. Clashes between Dutch and Indonesian forces are still occurring in spite of the Security Council's intervention. But a new approach to negotiation is being made . . . After the Security Council last month suggested a committee of good offices to deal with the dispute, the Netherlands chose Belgium and the Indonesian Republic chose Australia to serve on that committee. Those two have now chosen the United States as third member and our Government has accepted the nomination. If there is any means of bringing the parties to a new understanding, after their relations have been embittered by more than two months of war, this three-power peace mission should be able to find it.

One problem with which the peace mission is confronted is the question of the republic's ability to enforce its policies among local chieftains, the *Post* continued. "Stable governments do not suddenly spring into being from the desire of a people to be free and independent. They have to evolve step by step over a period of years. The real test will be whether the two sides can compromise the need for Republican experimentation and the equally urgent need for law and order. Considering the animosities that the fighting has engendered and the great difficulty of transferring authority from armed bands to a government of law, continued neutral assistance of some sort would doubtless enhance the possibilities of achieving a genuine Republican government in Indonesia."

U.S. Purge

IN an editorial devoted to the current purge of government employes on charges of "disloyalty" *PM* recommends "a careful reading of the decision handed down by the U.S. Supreme Court last year in the Lovett, Watson, Dodd case . . . it offers some means of protecting Government employes in the current purge if they are dismissed as disloyal without a fair trial or merely because they happen to hold radical opinions.

Lovett, Watson and Dodd were among 38 Government employes attacked as "irresponsible, unrepresentative, crackpot, radical bureaucrats" in a speech made by Martin Dies in the House in 1943. When appealed to by Congress, "the majority of the U.S. Supreme Court held that in barring Lovett, Watson and Dodd from Government employment . . . Congress 'stigmatized their reputation and seriously jeopardized their chance to earn a living.'"

"The Supreme Court decision proceeds to itemize the 'tested safeguards' established by the Constitution for such trial: 'An accused in court must be tried by an impartial jury, has a right to be represented by counsel, he must be clearly informed of the charge against him, the law which he is charged with violating must have been passed before he committed the act charged, he must be confronted with the witnesses against him . . .'

"In the light (of the above) can the Government argue that dismissal for disloyalty is a purely administrative proceeding in which the accused persons can be denied even the right to know just what the charge is against them? Can the Government get away with a procedure that may destroy an employe's reputation forever without granting him the benefit of elementary safeguards traditional in Anglo-American law? The Lovett Watson, Dodd decision indicates that a majority of the U.S. Supreme Court may not be disposed to leave Government employes at the mercy of secretive, subjective and high-handed star chamber proceedings," concluded *PM*.

Who's Who in China

HOU KUO-HUA, leading businessman and director of commercial concerns; born in Ningpo, Chekiang, September 13, 1883; graduated from Chekiang Provincial High Commercial College; upon completion of

Hou Kuo-hua

(侯國華)

education, successively served as manager of a commercial firm for a period of 10 years; founder of China Union Military Equipment Factory in Hankow, Hupeh; prior to Japanese occupation of Hongkong, was general manager of Hsi Hwa Company Ltd.; during the Sino-Japanese war was evacuated from Hankow to Szechuen and established West Union Military Equipment Factory in Chengtu and later became general manager of this factory; production of uniforms and blankets for military use was maintained during the entire period of war; now, member of National General Chamber of Commerce, Chairman of Military Equipment Union Association of Shanghai Special Municipality, general manager of Foh Hsin Industries Corporation and concurrently director general of Omrah Industries, Ltd., Hongkong; address; 103, Hardoon Building, Nanking Road, Shanghai.

"CORRIGENDUM: Misprints in the biography of Dr. Fong Shan-Kwei published in this column last week: (1) "assistant chief controller, Central *Bank* of China" should be corrected to read "assistant chief controller, Central *Trust* of China." (2) "Conference of Food and Agriculture of United Nations" should be corrected to read "Conference of Food and *Agricultural Organization* of United Nations." (3) "served as a research economist, Financial and Transit Department" should be corrected to read "served as a research economist *in the Economic*, Financial and Transit Department." (4) "draft memoranda...prepared for *publication by* the League of Nations" should be corrected to read "draft memoranda...prepared *for the publications of* the League of Nations;" (5) "co-author (with Prof. Ta-Chung Liu) of Section *II*..." should be corrected to read "co-author (with Prof. Ta-Chung Liu) of Section *II*...," (6) "Conference on Research *on* Income and Wealth" should be corrected to read "Conference on Research *in* Income and Wealth'."

What Chinese Papers Say

THE postponement of the General Elections called forth editorial comment from some papers last week, as did the questions of foreign loans and their implications and China's stand on the question of Japanese reparations.

* * *

General Elections

A one month postponement of the General Elections has been expected and politically there was every need for such a postponement, said the *Ho Ping Jih Pao*, local KMT Army organ. "First, these general elections will be the first democratic elections ever to be held in China, and naturally, there must be adequate preparations for same. Secondly, China is a big country where communication facilities are inadequate. Moreover, in a number of places the military situation is quite serious, so that not only is it impossible to hold general elections there, but even ordinary administrative matters in connection with the elections cannot be smoothly promoted.

"That is why it is necessary to postpone the elections for one month. Thirdly, these general elections will doubtless be watched by other nations. It is too bad that the general public do not sufficiently appreciate the importance of same and will not be very much interested in voting, so that when the popular elections take place, many people will abstain from voting. The postponement of the elections for one month will help greatly to reduce the number of abstentions and to enhance the interest of the electors.

"However, this one month postponement should not be negative in character, but should be positively made use of," continued the *Ho Ping Jih Pao*. "For instance, (1) there must be greater publicity about constitutional democracy; (2) various kinds of preparations should be expedited as much as possible; and (3) the nomination of candidates should be handled with great care. Naturally, in the forthcoming elections, the nominations of candidates by the various political parties will predominate. We feel that every political party should be more awake and that every candidate must possess certain qualifications.

"No matter from what angle it is viewed, the postponement of the general elections for one month will be beneficial. Moreover, it indicates that the Government is very careful about these elections and that it sincerely wants to enforce democratic government. Those who take this opportunity to spread rumors and to slander the Government either lack common knowledge or harbor ulterior motives," concluded the paper.

Commenting on the attitude of the candidates, the *Chung Yang Jih Pao*, KMT organ, states that "The periods for registration of candidates for election of Legislative Yuan members and National Assembly delegates have expired one after the other and the election activities of the candidates are steadily being intensified. This is a clear indication of the democratic spirit. In studying carefully the mentality of the candidates, the writer has discovered two kinds of notions on their part. These two notions are especially prevalent among the candidates in the rural districts.

"The first notion is that 'since you are competing with me in the elections, you are my enemy.' The writer feels that this notion is a wrong one and must be corrected. The second notion is that 'if I fail to be elected, I shall lose face.' Consequently, the candidates do not tell their electorate of their political views nor do they ask themselves whether they are fit to serve as National Assembly delegates or Legislative Yuan members. Their only purpose in trying to get elected is to improve or maintain their own position. This notion is incompatible with the democratic spirit," asserted the *Chung Yang Jih Pao*.

* * *

Foreign Loans

"THE cangue imposed on us by the unequal treaties has now been removed, but the situation in China resulting from weaknesses over a long period of time has not yet been improved," declared the *Ta Kung Pao*. "From now on, the Government in trying to obtain foreign loans, should lay special emphasis on the noble purposes of such loans. It must not try to obtain any more foreign loans that are secured on our national destiny and our sovereignty. Now that the Government has announced its determination to repay the foreign loans, the question as to how it is going to do this is one that must not be ignored. First, the interests of those people abroad who hold bonds which are recognized as being legitimate by the Chinese Government should be protected first. Second, it is estimated that our international payments for the current year will show an unfavorable balance of US$255,000,000, and that these payments will include US$45,000,000, or approximately one-fifth of the total unfavorable balance, for loan servicing purposes.

"Therefore, unless it is possible for the Government to secure a new foreign loan or unless the Government still holds a large amount of foreign exchange, it should quickly and thoroughly carry out all effective measures for absorbing foreign exchange resources for only in this way will it be able to live up to its promise that it will service the loans.

"Fundamentally, the whole thing depends upon the political and military situation in China. So long as conditions remain unsettled no productive enterprises can be promoted and commodity prices will continue to rise, so that the chaotic economic situation cannot be improved. And yet whether or not we shall be able to service the foreign loans depends upon whether or not we can increase the production power of the whole nation. Under existing conditions, the servicing of foreign loans will not necessarily be an important factor for attracting foreign investments to China," the paper concluded.

* * *

Reparations

IN a recent article entitled "Revenge is Expensive" in the magazine "America," Mr. Clifford S. Strike, advisor to the U.S. War Department on reparations questions, expressed opposition to the Allied nations' demand for reparations from Germany and Japan, said *Shun Pao*. "Regarding the problem of Japanese reparations, Mr. Strike feels that the Pauley reparations program should be given up, and that the resolutions regarding this problem passed by the Far Eastern Commission should be declared null and void, so that Japan may preserve a higher industrial level. When we had read of Mr. Strike's views opposing reparations, we first thought that these were his personal views. However, according to Mr. Strike's biographical sketch, he began to serve as advisor to the U.S. War Department on reparations questions in November, 1945, that he served in Germany for one year, and that he also served as Chairman of the special committee on Japanese reparations.

"The fact that he has now expressed such anti-reparations views is worthy of our close attention. Furthermore, these strange views and the dilatory tactics which the Allied Headquarters in Tokyo has adopted with the reparations problem seem to be interrelated. Therefore, both our Government and our people must watch the situation carefully. If Mr. Strike's absurd views are accepted by the U.S. authorities, it will not only harm others so that their interests will be adversely affected, but the United States itself will doubtless suffer the evil consequences also and commit another blunder in her foreign policy.

"There seems to be need for the United States to change her policy toward Japan. We wish to advise the U.S. diplomatic authorities not to emphasize too much the United States' own immediate advantages, but to have the interests of the entire Far East at heart," the *Shun Pao* said.

Keep your car fit with ★★★

MARFAK Lubrication

COMPLETE MARFAK LUBRICATION

CAN BE OBTAINED IN SHANGHAI

AT THE FOLLOWING

CALTEX SERVICE STATIONS

CALTEX
REG. T.M.

•	1052 BUBBLING WELL ROAD	TEL. 36361
•	786 AVENUE JOFFRE	TEL. 68936
•	363 AVE DU ROI ALBERT	TEL. 73673
•	668 AVENUE FOCH	TEL. 66075
•	240 HONAN ROAD	TEL. 14868
•	1861 RUE PROSPER PARIS	TEL. 68849
•	990 BROADWAY EAST	TEL. 53284
•	942 YU YUEN ROAD	— —

THE TEXAS CO. (CHINA) LTD.

WHEELOCK BLDG. SHANGHAI

NANKING-SHANGHAI LINE
TIME TABLE

72	4	76	6	8	78	2	10	12	16	TRAIN NO.	1	5	15	7	71	3	9	11	75	77
"Tai Hu" Express	I, II Triumph Exp.	II, III Local	I, II III Exp.	I, II Exp.	II, III Local Exp.	I, II Nanking Throu. Exp.	I, II III Night Exp.	I, II Night Exp.	I, II III Night Exp.	STATIONS	I, II Hangchow Throu. Exp.	I, II III Exp.	I, II III Exp.	I, II Exp.	"Tai Hu" Express	I, II Triumph Exp.	I, II III Night Exp.	I, II Night Exp.	II, III Local	II, III Local Exp.
8.30	7.00	7.30	9.00	11.00	12.15	13.30	21.50	23.00	23.30	D SHANGHAI NORTH A	14.45	16.25	18.25	19.35	22.20	22.45	6.35	8.00	10.25	17.10
		8.55	10.16	12.14	13.48		23.27		0.56	D KUNSHAN D		15.24	17.09	18.22			5.28		8.34	16.05
10.13	8.41	9.42	10.57	12.57	14.29	15.17	0.20	1.06	1.43	A D	13.06	14.33	16.23	17.36	20.31	21.06	4.36	5.39	7.10	15.19
10.18	8.48	9.49	11.08	13.04	14.36	15.26	0.27	1.13	1.55	D SOOCHOW A	12.59	14.19	16.17	17.23		20.58	4.32	5.19	7.04	15.09
11.10	9.36	10.45	11.57	13.55	15.35	16.14	1.22	2.08	2.50	A WUSIH D	12.11	13.24	15.14	16.29	19.35	20.10	3.39	4.26	6.00	14.10
	9.42		12.06	14.02		16.23	1.29	2.15	3.00	D A	12.04	13.18	15.0-	16.21		20.03	3.32	4.19		
	10.31		12.59	15.03		17.09	2.27	3.13	4.05	A CHANGCHOW D	11.17	12.22	14.05	15.20		19.16	2.35	3.30		
	10.40		13.08	15.15		17.19	2.37	3.25	4.13	D A	11.06	12.09	13.55	15.08		19.06	2.24	3.20		
	11.38		14.00	16.13			3.56	4.29	5.16	A TANYANG D		11.09	12.41	14.05		18.12	1.07	2.03		
	11.41		14.03	16.17			4.00	4.33	5.20	D A		11.05	12.37	13.55		18.03	1.02	2.00		
	12.18		14.40	17.01		18.46	4.46	5.18	6.02	A CHINKIANG D	9.32	10.28	11.44	13.07		17.23	0.09	1.07		
	12.25		14.45	17.17		18.53	4.55	5.27	6.09	D WEST A	9.24	10.21	11.38	12.59		17.15	23.56	1.00		
	13.55		16.10	18.50		20.20	6.30	7.15	7.50	A NANKING D	8.00	9.00	10.00	11.00		15.45	22.00	23.00		

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Through Expresses I	"Triumph" Express, Nanking & Hangchow Through Expresses II	"Tai Hu" Express
SHANGHAI N. TO:—										
KUNSHAN	52	16,000.	24,000.	8,000	12,000.	4,000.	6,000.			
SOOCHOW	87	24,000.	32,000.	12,000.	16,000.	6,000.	8,000.	78,000	46,000.	78,000.
WUSIH	129	40,000.	48,000	20,000.	24,000.	10,000.	12,000	78,000	46,000.	86,000.
CHANGCHOW	168	48,000.	64,000.	24,000.	32,000.	12,000.	16,000	78,000	46,000.	
TANYANG	213	64,000.	80,000.	32,000.	40,000.	16,000	20,000.	96,000	56,000.	
CHINKIANG WEST	243	72,000.	88,000.	36,000.	44,000.	18,000.	22,000	106,000	62,000.	
NANKING	312	72,000.	88,000.	36,000.	44,000.	18,000.	22,000	106,000	62,000.	

SHANGHAI-HANGCHOW LINE
TIME TABLE

23	21	61	67	25	1	41	27	TRAIN NO.	24	42	2	68	26	22	62	28
I, II III Exp.	West Lake Exp.	II, III Ord.	IV Mixed	I, II III Exp.	I, II H'chow Throu. Exp.	II, III Ord.	I, II III Exp.	STATIONS	I, II III Exp.	II, III Ord.	I, II N'king Throu. Exp.	IV Mixed	I, II III Exp.	West Lake Exp.	II, III IV Ord.	I, II III Exp.
6.45	8.00	8.15		11.30	16.00	16.15	22.45	D SHANGHAI NORTH A	9.15	12.15	12.35		18.55	20.05	22.30	23.30
7.05	8.16	8.36	9.00	11.53	16.19	16.36	23.06	D SHANGHAI WEST D	8.58	11.55	12.20	17.20	18.37	19.49	22.13	23.12
7.49		9.46	10.29	12.38	17.03	17.46	23.50	A D	7.51	10.44	11.26	15.29	17.48		21.00	22.16
7.54		9.56	10.40	12.43	17.08	17.51	23.55	D SUNGKIANG A	7.47	10.38	11.21	15.22	17.39		20.54	22.11
9.02	10.02	11.40	12.50	13.50	18.16	19.23	1.06	A D	6.35	9.04	10.13	13.10	16.20	17.54	19.25	21.00
9.16	10.08	11.50	13.15	13.58	18.26	19.33	1.16	D KASHING A	6.28	8.55	10.04	12.45	16.11	17.47	19.12	20.50
10.00		12.33	14.52	14.32	19.01	20.16	1.50	D YEHZAH D	5.56	8.14	9.31	11.53	15.39		18.29	20.18
10.31		13.18	15.56	15.04	19.32	21.01	2.21	A CHANGAN- D	5.23	7.27	8.58	10.40	15.06		17.42	19.34
10.36		13.26	16.10	15.11	19.37	21.06	2.26	D TSENG A	5.19	7.22	8.54	10.27	15.02		17.37	19.27
11.30	11.55	14.45	18.10	16.20	20.30	22.20	3.25	A HANGCHOW D	4.25	6.10	8.00	8.30	14.00	16.00	16.25	18.25

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Through Expresses I	"Triumph" Express, Nanking & Hangchow Through Expresses II	"West Lake" Express
SHANGHAI N. TO:—										
SUNGKIANG	45	16,000	24,000.	8,000	12,000.	4,000.	6,000	78,000.	46,000.	
KASHING	99	32,000	40,000.	16,000	20,000.	8,000.	10,000	78,000.	46,000.	78,000.
YEHZAH	126	40,000.	48,000.	20,000.	24,000	10,000	12,000	78,000.	46,000.	
CHANGANTSENG	151	48,000.	64,000.	24,000.	32,000.	12,000	16,000	78,000.	46,000.	
HANGCHOW	190	48,000	64,000	24,000.	32,000.	12,000.	16,000	78,000.	46,000.	86,000.

NANKING-SHANGHAI RAILWAY SYSTEM ADMINISTRATION

Printed by THE MERCURY PRESS